

# THE INDEPENDENT

Tuesday 13 January 1998 IR50p (45p) No 3,506

## Ireland: there is a solution

Plans for a new political geography covering Britain and Ireland emerged yesterday in a historic scheme that promises not just Anglo-Irish connections, but links with Edinburgh and Cardiff too. And as our Ireland Correspondent reports, parties covering most of the political divide found something in the plan to welcome.

The short but significant document, hatched in a series of telephone calls between Tony Blair in Tokyo and Bertie Ahern in Dublin, puts forward the new ideas not as a blueprint for a settlement but as their recommendations for the shape of future negotiations in the Stormont multi-party talks.

Formidable problems remain in finding agreement on how the various elements can be slotted into place together. Unionists, for example, will be

BY DAVID MCKITTRICK

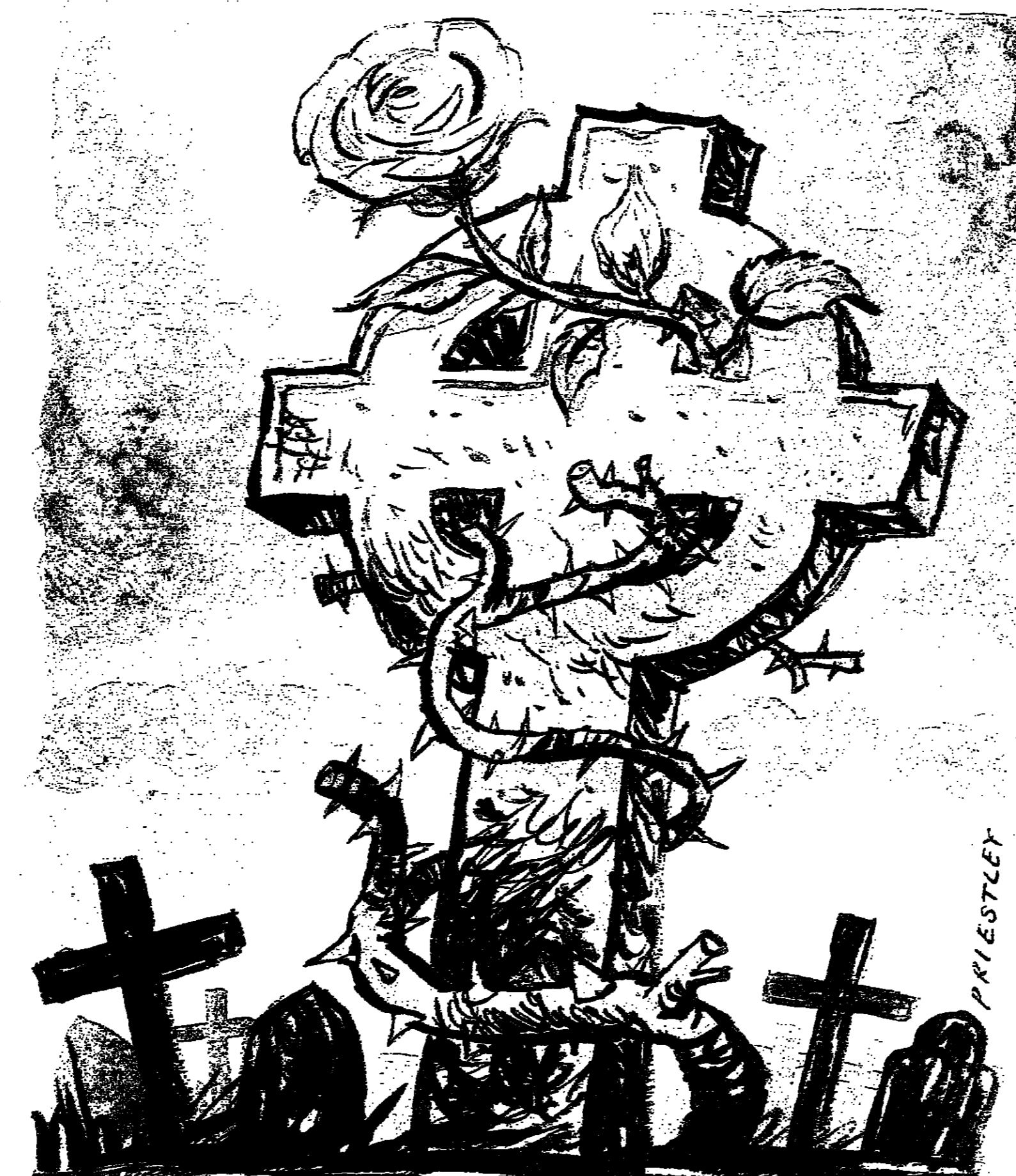
intent on forging the strongest possible east-west connections in an attempt to strengthen Northern Ireland's links with Britain.

Since nationalists regard north-south links within Ireland as their priority, they will by contrast push for maximum powers to be conferred on a new north-south institution. Reconciling these two approaches will form the stuff of negotiation in the months ahead.

No one believes that achieving a successful conclusion will be easy, but the document produced yesterday has the approval of both London and Dublin, while both the Ulster Unionists and SDLP signalled their sense that they can live with it. One crucial, and as yet unanswered, question is whether Sinn Fein and the republican community generally will be prepared to leave their aspiration for Irish unity to one side for the moment, and help build a more complex compromise arrangement.

If all the elements sketched out in the document do provide the shape of an eventual agreement then new arrangements will look something like this:

- A new Belfast assembly with considerable devolved powers, together with safeguards to ensure that both Unionists and nationalists have a share of power.
- An intergovernmental council will bring together representatives of London, Dublin, Belfast, Scotland and Wales.
- A north-south ministerial council will link the two parts of Ireland. It will be a decision-making body served by new bodies and mechanisms.
- A Bill of Rights and other measures to protect civil and political rights and promote equality.
- Measures to deal with the



questions of prisoners, security, policing and arms decommissioning.

For Unionists such an outline holds out the prospect of ending the 1985 Anglo-Irish Agreement, which they detest, and of making important changes to the Irish constitution, to which they also object. They have also been against the idea of a powerful north-south institution, but will draw comfort from the fact that Scotland and Wales will be incorporated into the new arrangements.

Their inclusion should help provide reassurance that the union with Britain is not being surrendered.

Nationalists will welcome the north-south institution and the decidedly Anglo-Irish char-

acter of an arrangement which would see Dublin heavily involved in most aspects of the new structures. Their concern about alterations to the Irish constitution will be alleviated by the proposition that this would be balanced by changes to the Government of Ireland Act which established the state of Northern Ireland in 1920.

In one sense, these ideas provide a plausible outline of how – with give and take and hopefully a sense of goodwill – a historic new arrangement might work. But the devil is in the detail and there literally thousands of difficult details to be worked out.

It is also clear that as the May deadline for the talks approaches, the various splinter

groups – both loyalist and republican – can be expected to try to step up violence in an effort to derail the whole process.

Furthermore, there are suspicions that the Ulster Defence Association, whose political representatives are in the talks, may believe it can continue to carry out killings without incurring the political penalty of expulsion from Stormont.

The two governments hope their ideas, which are entitled

### THE NEW POLITICAL GEOGRAPHY

1. New assembly for Northern Ireland
2. East-west: The Council of the Isles, linking regional assemblies in Belfast, Dublin, Cardiff, Edinburgh and London.
3. North-south: new cross-border body



## Japanese apology to PoWs is just a repeat

The Japanese Prime Minister yesterday offered an apology for the treatment of British prisoners during the Second World War, a move hailed by Tony Blair as "a very significant step forward". But despite all the rhetoric, the apology contained nothing new. Richard Lloyd Parry reports from Tokyo.

In his first summit meeting with Tony Blair, Ryutaro Hashimoto, the Japanese Prime Minister made "an expression of deep remorse and ... heartfelt apology".

"What the Prime Minister mentioned today was basically no different from PM Murayama in 1995," said Mutsuyoshi Nishimura, of the Japanese foreign ministry.

Downing Street is sensitive about yesterday's PoW "apology" and with good reason. At first glance, it lives up to its official billing as a diplomatic triumph for Mr Blair. But close up, it delivers much less than it promises – a confection

of ambiguous language, old or vague ideas and vigorous spin doctoring.

There were new "reconciliation initiatives" aimed at bringing together Japanese and Britons in an attempt to overcome the past; an increased number of "cultural exchanges" for former PoWs and their families to visit Japan; and a joint project to study the history of relations between the two countries. But they will only attract those who are already reconciled to the past. As Arthur Tilberington, chairman of the Japanese Labour Camp Sur-

vivors' Association said yesterday: "We want proper compensation, not joy trips for 80-year-old men to Japan."

There will be a series of joint "pilgrimages" to be made by Japanese and British veterans to former battle sights in Southeast Asia, and a programme of scholarships for the grandchildren of former PoWs to study in Japan. The projected budget for these is 125m yen (£140,000), an increase of a quarter on two years ago. "As a sign of... remorse, they have agreed substantially to increase the payments into the recon-

ciliation programme," said Mr Blair. But this budget is not a fixed commitment. According to a Japanese diplomat yesterday: "It might be more or less depending on what projects we feel are worthwhile."

Mr Blair did not press Mr Hashimoto on the question of the £14,000 compensation which PoW groups are demanding for each of their members. Legally, all claims for compensation were shelved in the 1952 Treaty of San Francisco. "We know what answer we would get if we mention it," Mr Blair's spokesman said.

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THE EYE, PAGE 4

INDEPENDENT AND INDEPENDENT ON SUNDAY TOKEN COLLECT

### TODAY'S NEWS

#### Drink-drive killer free

A Cambridge University student who admitted killing two friends in a car smash after drinking and driving, walked free from court after a moving appeal from the father of one of his victims. Judge Charles Harris passed an 18-month suspended prison sentence at Oxford Crown Court on John Ware, 21, after businessman David Sage told the court he and his wife did not want retribution. Page 6

#### Split among the sisters

Middle-class working mothers are forging ahead with their careers, while their unskilled sisters are staying firmly at the bottom of the heap, according to a new government-funded study. It finds that lone mothers have the worst time of all, and that the gulf is growing. Page 3

#### Fade-out for City name

Morgan Grenfell, one of the oldest names in the City, could disappear as part of a radical overhaul of Deutsche Morgan Grenfell, the investment bank, by Deutsche Bank, its German owner. Page 19

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# 2/BRIEFING

## COLUMN ONE

### Rumpole sentenced to an early retirement

In a twist that defies knee-jerk use of the term "political correctness", Radio 4 has turned down a new series of *Rumpole of the Bailey* because it didn't like the feminist portrayed - rather than the sexist old barrister at the centre of the stories.

Rumpole, who is the creation of Labour-supporting John Mortimer, is most obviously sexist when it comes to his wife - whom he refers to as "she who must be obeyed", but most of his beliefs are exactly those you would expect from a barrister of his generation.

The BBC didn't object to this, but instead thought that a female colleague with strident feminist views was a touch old-fashioned and out of date.

Yet a dose of strident feminism is clearly what the legal profession could be doing with: a conference organised by the Bar and the Law Society two years ago discovered that Mr Rumpole's attitudes are anything but atypical.

Despite the fact that the percentage of female barristers has increased from 10 to 40 per cent in the last 20 years there are still precious few at the senior levels of the profession.

Much of this is down to the fact that women barristers get pushed into what are called "girly crimes" like sexual offences and family law by the chambers' clerks who allocate cases to barristers and operate a painfully literal old boy network. If they try to take on their chambers' clerk, women then find they don't get any work at all.

Margaret McCabe, the senior barrister who organised the conference, said that when she tried to change chambers she was asked whether she intended to give up practising when she got married; informed that women with children should not

work and told that women members of chambers tended to be troublemakers.

All of which leaves the BBC in something of a quandary. A Radio 4 spokeswoman said: "The BBC feels that the feminist politics of the last Rumpole offering were dated and old-fashioned."

But the unpalatable fact is that the fictitious Rumpole's views are probably right on the money. So while the BBC is being accused of political correctness gone mad by the right-wing press, it could be accused of covering up the nasty underside of life for women in the legal profession.

Still, the BBC is used to quandaries. If it had commissioned such a joyfully middle-brow character as Rumpole someone would probably have accused it of "dumbing down".

— Paul McCann, Media Correspondent

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#### NEWSPAPERS SUPPORT RECYCLING

Recycled paper made up 41.4% of the raw material for UK newspapers in the first half of 1997.

## PEOPLE



William Straw and Dawn Alford: Neither to face further police action over drug deal in pub

### William Straw cautioned for selling cannabis

William Straw, the son of the Home Secretary, was yesterday cautioned by police for selling cannabis to an undercover journalist. Police also confirmed that Dawn Alford, the *Mirror* reporter arrested after buying the drug from the teenager, would not face any further action.

Last night Jack Straw issued a statement saying that his 17-year-old son was learning the lessons of the episode. He added: "I am grateful for the restraint shown towards him by most of the media. I hope that they will continue to agree that he should not suffer additionally simply because he is my son."

The teenager was arrested by police after he voluntarily attended a south London police station with his father shortly before Christmas. Their action preceded a report in *The Mirror* that William had sold 1.92 grams of cannabis to Ms Alford at a south London pub.

### Verve head for record at Brits

The Verve are on course to win a record number of Brit awards. The band won nominations in five categories for the music industry's most prestigious awards ceremony, announced yesterday.

In three of these categories, Radiohead, who also enjoyed massive success last year, have been nominated; and insiders are predicting that the two bands will dominate the awards, elbowing aside Oasis, who also receive a clutch of nominations.

The Verve and Radiohead are nominated for best British group. They are also both nominated for best British single (Radiohead for "Paranoid Android" and The Verve for "Bittersweet Symphony"). The same two bands appear in the best British album category (Radiohead for *OK Computer* and The Verve for *Urban Hymns*). And



The Verve: Five nominations

The Verve are nominated too for best video and best producer.

The Wigan band left behind the Prodigy with three nominations plus best producer. Radiohead with three, and Oasis with three.

The Spice Girls, who won two awards last year, gained just one nomination this time, and not for their music, but for their video "Spice Up Your Life".

— David Lister

### Hague's key to happy marriage

Newly-weds William and Ffion Hague may have enjoyed a laid-back honeymoon in an Indian love palace but back in England, their subsequent plans for a happy marriage are strictly organised.

Speaking on Talk Radio, the Tory leader said: "We are going to have a real marriage. Not just one that passes as ships in the night."

"We have set ourselves an agenda to spend time together. We will spend every Sunday together, one weekend in four together and have two holidays a year."

His intention to spend a further one evening a week with his bride brings their total quality time together to 111 days a year.

This may not seem like much, but many MPs will attest to how difficult it is to snatch even a few hours with their partners.

— Kate Watson-Smyth

## UPDATE

### HEALTH

#### Obesity linked to poverty

Working class people are more likely to be obese and suffer from high blood pressure than their more affluent neighbours, a government study has found. The poorest people - who live in deprived urban areas mainly in the north - suffer from illness the most.

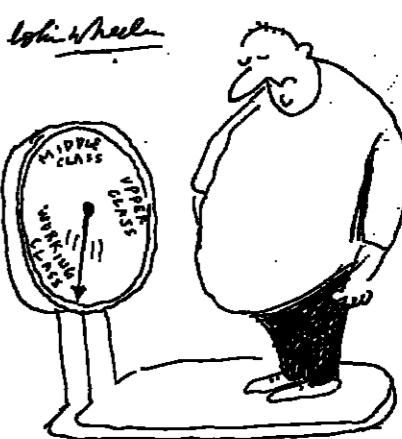
While the average blood pressure of adults fell between 1991 and 1996, working-class women are more prone to high blood pressure than their wealthier counterparts. Poorer people are also more likely to be overweight, according to the survey of 16,000 adults and 4,000 children.

The survey, which classifies the nation according to social class and where we live, will be used by the Government to help draw up its forthcoming consultative Green Paper on health.

Ministers want to set up

"health action zones" and "healthy living centres" in the more deprived areas of the country to develop policies to enable people to live longer and healthier lives. The study, the sixth annual Health Survey for England, found that between 1991 and 1996, the number of obese men rose from 13 per cent to 16 per cent and women from 15 per cent to 17 per cent.

— Glynis Cooper, Social Affairs Correspondent



### INDUSTRY

#### Pay in large firms beats inflation

Earnings for employees in large and medium-sized companies are "racing ahead" of inflation, according to research by a firm of pay consultants. Total wage cheques are increasing by 5 per cent a year, while the inflation rate is just 3.7 per cent.

In a survey of 500 employers, Watson Wyatt, human resource and benefits specialists, confirm that percentage rises are increasingly generous the further you go up the ladder. Senior managers have seen their total earnings rise by around 6.6 per cent.

The much sought-after information technology experts are receiving bonuses of up to 30 per cent a year to persuade them to stay with companies and sort out the so-called "millennium bug".

— Barrie Clement, Labour Editor

### EDUCATION

#### How to avoid doing homework

Everybody has their own way of putting off unpleasant tasks, but new research shows that students are past masters when it comes to avoiding research.

The survey, carried out by the publishers Hodder & Stoughton and WH Smith found that although television is still the biggest distraction, some 12 per cent of children in the south will offer to clean the house rather than sit down behind a desk. Once the housework is done they are twice as likely to spend time on the phone to their friends.

— Kate Watson-Smyth

### TOURIST RATES

Australia (dollars)	2.44	Italy (lira)	2,821
Austria (schillings)	20.06	Japan (yen)	20,84
Belgium (francs)	58.96	Malta (lira)	0.62
Canada (\$)	2.24	Netherlands (guilders)	3.21
Cyprus (pounds)	0.83	Norway (kroner)	11.81
Denmark (krone)	10.94	Portugal (escudos)	289.47
France (francs)	9.54	Spain (pesetas)	240.87
Germany (marks)	2.86	Sweden (kroner)	12.65
Greece (drachmai)	455.28	Switzerland (francs)	330,588
Hong Kong (\$)	12.09	Turkey (lira)	1.57
Ireland (pounds)	1.14	USA (\$)	1.57

Source: Thomas Cook

Rates for indication purposes only

## Did the A-bomb

John Carrington, the Cambridge spy, gave Britain's atomic secrets to the Russians, it was claimed yesterday. It is not clear that the KGB played an active role in making the revelation public.

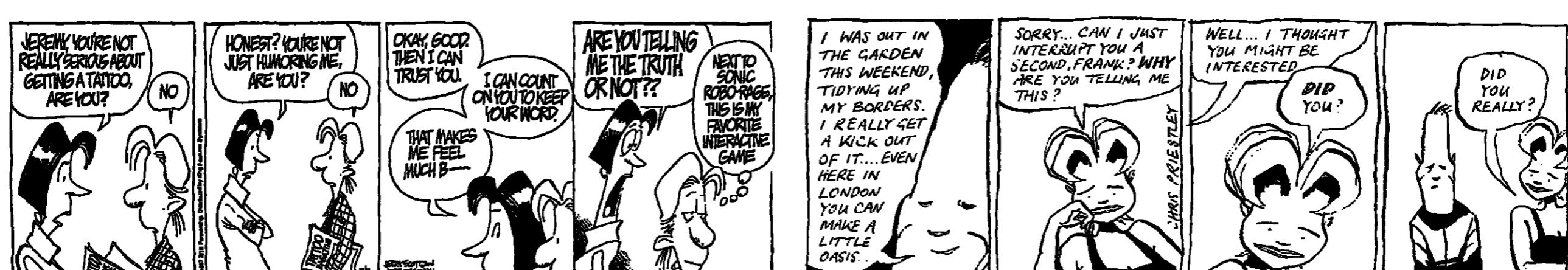
See page 12

## ZITS

by Jerry Scott & Jim Borgman

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## 3/NEWS

IN WEDNESDAY'S INDEPENDENT

**Rik Mayall: Stand-up who made it from Bottom to top film star**  
**THE EYE**



**Photo 98: the century in pictures**  
**THE EYE**

**Sensation: Damien Hirst and the celebrity café**  
**THE EYE**



**From works canteen to haute cuisine**  
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## Books aren't dead. But 32-volume encyclopaedias are



Information age: Beckford School, north London, has books and CDs...

### An era comes to an end as cheap CDs force Britannica to lay off its direct sales force

**Encyclopaedia Britannica is laying off its 70 door-to-door sales staff because customers have lost their appetite for the 32 volumes. The CD-Rom equivalent is cheaper, faster and longer.** *Clare Gower* reports on the death of an institution.

It was not only mistrust of doorstep sellers which led to their downfall. The direct sales team did their best to handle the public's prejudices about pushy predecessors but they could not talk their way round the advent of the CD-Rom and the Internet.

Parents who in the past would have saved up for a complete set of leather-bound volumes of the *Encyclopaedia Britannica*, the "classic brown" bought by libraries, costs £845. The most popular is the "heirloom" version at £945, but for £3,000 one's initials are gilded in gold across each volume.

But in these multimedia times the direct sales staff are finding it hard to persuade customers of the relative merits of these versions.

The same 44 million words are available on the CD-Rom for £125. For £7.99 a month, Internet users can subscribe to the

*Britannica Online* version which, unlike the books, is constantly updated. And there are countless alternatives including Microsoft's *Encarta* encyclopaedia, which costs just £49.

Consequently, this year marks a radical departure in sales techniques for Encyclopaedia Britannica.

From April door-to-door staff will be history and in their place will come a major advertising and marketing drive for

the *Britannica CD-Rom*. Sales will be mainly through normal retail outlets.

Tim Petnick, vice-president and general manager for English language products of the US-based company, admitted that while the salesmen's tricks have "largely changed", the public did not respond well to a knock at their door.

"Unfortunately when people think of encyclopaedias they think of pushy door-to-door sales people," he said.

"That's one of the contributory factors to the decision to get out of direct selling. It has been a painful decision."

Mr Petnick added that there had been fundamental changes in consumer buying patterns. "In-home selling served us very well for many years, but today our customers want to buy in other ways."

"The revenues generated from in-homes sales efforts no longer justify the costs ... We will be selling through direct-response advertising. People will just send a cheque or give their credit card number. No salesman will call."

But it is the advent of mass ownership of personal computers which has had the biggest impact on Encyclopaedia Britannica, founded in Scotland in 1768. For the young generation, the route to knowledge is on-screen and their parents' biggest educational purchase will probably be a PC.

Encyclopaedia Britannica expects to sell 80,000 *Britannica* CD-Roms in the UK this year, compared with just 4,000 printed sets. Worldwide sales of the bound volumes are anticipated to be 25,000, that is, 85 per cent down since the early 1990s.



... but pupils like Amy Williams, 9, prefer the CD

Photograph: John Voos

### Did the fifth man hand the A-bomb secret to Russia?

**John Cairncross, the fifth man in the Cambridge spy ring, gave Britain's atomic secrets to the Russians, it was claimed yesterday. Ian Burrell notes that the KGB played an active role in making the revelation public.**

In his autobiography, published last year, two years after his death, Cairncross admitted spying for the Russians but said he had only helped them in their fight against Hitler.

But KGB files, made available to Rupert Allason, the former Tory MP who is also known as the author Nigel West, demolished his claims. They show that he handed over British atomic secrets betrayed the identities of British agents, and was well paid by the Russians for his spying.

The files contain a memo-

randum by Pavel Fitin, the KGB's head of intelligence, on Enormoz, the Soviet programme for obtaining Allied atomic secrets.

"The first material on Enormoz was received at the end of 1941 from John Cairncross," it notes. "This material contained valuable and highly secret documentation, both on the essence of the Enormoz problem and on the measures taken by the British government to organise and develop the work on atomic energy."

"This material formed the point of departure for building the basis of, and organising the work on, the problem of atomic energy in our country."

The revelation yesterday prompted Teddy Taylor, Tory MP, to table a parliamentary question for Jack Straw, the Home Secretary, asking for the "full facts". He said: "This is an issue of the utmost urgency and it raises the most alarming suspicions about what went on

in our intelligence services at this critical period in our history."

Allason has co-authored his book, *The Crown Jewels*, with Oleg Tsarev, a former KGB officer who works as a consultant to the KGB's successor, the SVR. "I have had to rely on him for Russian documents," Allason said yesterday.

But, he added, there was no secret Russian agenda. "They are proving that they're a democracy - that they've got declassification, and they are more open than we are."

Other historians were more sceptical. Donald Cameron Watt, an emeritus professor of international history at the London School of Economics, said: "This is an indication, not so much of what happened, as what the KGB wants us to believe happened."

Cairncross was born in 1913 near Glasgow; his father was an ironmonger. He won a scholarship to Trinity College, Cam-



John Cairncross: KGB files show he was well paid for spying

bridge, where he met Anthony Blunt, another member of the Cambridge ring.

The files show that Blunt introduced him to fellow Moscow sympathiser Guy Burgess, who made an assessment of the young Scot for the KGB. Cairncross was later recruited by Andre Deutsch, or Otto, the

KGB officer running the Cambridge ring.

Cairncross, or agent "Lizt", supplied his most valuable information when he was secretary to Lord Hankey, minister without portfolio in the Churchill government, who had special responsibility for the intelligence services and for atomic research.

### Working-class women stay at bottom of the heap

**Middle class working mothers are forging ahead with their careers, while their unskilled sisters are staying firmly at the bottom of the heap.** *Barrie Clement, Labour Editor*, finds that lone mothers - the target of benefit cuts - have the worst time of all.

There is a "growing gulf" between working mothers with top jobs and those lower down the scale who struggle to balance work and children.

Britain's highly educated and high wage mothers are far more likely to remain in employment during their child-rearing years with employers increasingly prepared to help them to do so.

Companies want to keep their high-flyers, those that contribute most to the business

and those who are the most costly to train and replace. "Employers seem more inclined to introduce family-friendly policies for their higher status female employees such as managers," says Professor Heather Joshi, of the City University, London.

Such women have more family-friendly working arrangements, better fringe benefits and are more highly-motivated to stay in employment.

Clearly these mothers are also able to balance their babies and briefcases because they can afford a high standard of childcare, says the professor.

Any idea that employers might increasingly apply family-friendly benefits to other employees seems to have founders on the recession.

The less well-paid and poorly-qualified working class mothers have considerably greater difficulty in maintaining "career momentum" after the birth of their first child. Low wages

and the cost of childcare is a major reason and the fact that employers are less likely to help them stay in employment.

Around two thirds of women are still not benefiting from equal opportunities and in many cases are failing to reach their potential, according to Professor Joshi's report, "A Widening Gulf among Britain's Mothers".

The study, which is featured in the Economic and Social Research Council's new publication *Business Connect: a brief guide to ESRC business research*, also shows that women in full-time work find it much easier to keep their jobs after giving birth than part-timers.

Professor Joshi believes the Government's policy of cutting benefits to lone parents is misguided. She argued that while state help should be restructured, it should offer incentives and help for people to get back to work, rather force them into employment.

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## 'Action needed' to stop food poisoning

The Government is not acting quickly enough to curb outbreaks of potentially fatal food poisoning, according to a leading food safety expert. Glenda Cooper, Consumer Affairs Correspondent, reports.

Professor Hugh Pennington, who carried out the investigation into the E. Coli outbreak in Scotland which killed 20 people, said yesterday that his recommendations were not being carried out quickly enough. The E. Coli outbreak happened in November 1996 and Professor Pennington published his report in April 1997.

A record number of people suffered from food poisoning last year - 100,000 cases were reported officially but scientists estimate the real number could be 10 times that figure.

The criticism comes the day before the Government publishes the long-awaited White Paper on the new, independent

Food Standards Agency. It also follows warnings from the British Medical Association that all raw meat should be treated as potentially contaminated.

Speaking on BBC2's *Food & Drink* programme, to be screened tonight, the professor said the figures were "unacceptable" for a disease which was completely preventable.

"There's a crisis in British food production - it's not about BSE or healthy eating - it's food poisoning," he said. "If [the Government] are really serious they must implement all the recommendations in my report now... We need to set our standards higher - it would only take a few simple steps to get rid of the majority of food poisoning cases."

Measures he said must be implemented without delay included licensing for butchers and restaurants, less reliance by supermarkets on intensively farmed foods and better training for people handling food.

"Food poisoning in the UK has now reached unacceptable levels," he said. "A million cases a year is outrageous."

"The tragedy is that most cases of food poisoning are preventable - but they're not being prevented. It is an unnecessary problem," he added. "Education and training is the key. There are too many unqualified people handling food at each stage of the food chain.

"They need to be better qualified - it is, after all, a life and death issue."

Butchers reacted angrily yesterday to the BMA's recommendation that all raw meat should be treated as potentially contaminated.

The Meat and Livestock Commission accused doctors of "scaremongering" and exaggerating the dangers associated with meat.

"All fresh food is perishable and should be regarded as a possible source of contamination and red meat is no different to any other raw food requiring cooking before eating," said Colin Maclean, director of the MLC.

But he said singling out meat as a possible hazard was likely to "frighten and confuse" consumers.

## British beef heading back to the Continent

British beef is on the way back to Continental supermarket shelves for the first time in almost two years under new Brussels proposals to relax the worldwide ban imposed in March 1996. But convincing EU governments to expose their shoppers to "safe" British meat could take many more months.

The first real sign of hope for beleaguered British farmers looks set to appear tomorrow. At their meeting in Strasbourg, European Commissioners are expected to back a British plan which would allow exports of beef from healthy animals.

The commission's proposal

will have to win the support of a majority of the 15 EU governments and even the most sympathetic - the Dutch and the Irish - admit this will be a battle.

But commission support for the so called "certified herds" scheme represents a breakthrough and will help the Government to claim it has won the argument for science to rule over commercial considerations.

In practice, Northern Irish beef would be the only meat eligible for export under the terms of the scheme hammered out between London and Brussels during negotiations which have gone on for months. After con-

sulting its scientific advisers, the commission is insisting on strict criteria, which mean that only Northern Irish beef could be certified "BSE free."

Ulster farmers have long pointed to the low incidence of BSE in the province and to the fact that most herds there are grass fed, to support their demands for a regional solution which would give them special treatment. This has annoyed their Scottish competitors who can also boast grass-fed herds.

Ulster's trump card is a computerised central database for tracking cattle movements.

— Katherine Butler, Brussels

## Winter weather brings fun ... and fatalities



Holiday mood: A religious Jew sliding on the snow in Jerusalem yesterday Photograph: Adam Amsinck/AP

The early spring which has seen Britain basking in sunny weather is set to end today, while topsy-turvy temperatures continue to cause chaos elsewhere in the world. Louise Jury and Anna Lowman report.

Westerly winds will today sweep more typical January weather into Britain and end the warm spell which has sent flora and fauna into confusion.

A London Weather Centre spokesman said that temperatures will sink to a more typical 7C or 8C after hitting a near-record 17.3C at Prestatyn, north Wales, over the weekend. The record for January in the United Kingdom was 18.3C recorded at Aber, north Wales, in 1971, while the coldest was -27.2C at Braemar in 1982.

The early spring has caused early sprouting in the garden and prompted reported sightings of hedgehogs coming out of hibernation. But with the increasingly varied weather patterns of recent years, wildlife and gardening experts said the onset of a cold snap would not necessarily cause problems.

An RSPB spokesman said they were keeping their eyes on birds nesting early, but said: "I don't think it is anything to be too concerned about at this stage."

However, there might be problems with fruit trees if they bud or flower very early and then suffer a hard frost which destroys the flower. Peter Brie, who grows soft fruit near Rochester, Kent, said they had a difficult time last year with late frosts in April and May. "I am slightly nervous that it's very warm and everything is moving, but it is a little too early to be concerned," he said.

The warm spell is shared by China, which is experiencing its 12th consecutive warmer than average winter. The sunny spell is compounding problems caused by its worst drought in 30 years.

Yet, in north America, fierce storms have caused chaos, leaving at least five people dead. In Montreal, Canada, police invoked emergency powers as the city effectively remained shut for a fourth day. Hundreds of thousands of people in New England and New York were left without heat and lights by the storms. Angus King, the governor of Maine, said: "It is impossible to exaggerate the devastation."

Jerusalem woke yesterday to its first big snow for six years. The streets were blocked with up to eight inches in many places, transforming the holy city into a wintery picture-postcard. Cold weather continued in Bangladesh, where more than 200 people have died from near-freezing temperatures in fog in the north and west of the country.

## Traffic could be cut by 10%

Measures to reduce road traffic by 10 per cent - the amount called for in a Private Member's Bill before Parliament - are both "practical and feasible" according to a former Labour transport advisor.

Professor John Whitelegg, Liverpool's John Moores University, advocates both road pricing and increasing car parking charges in order to meet the traffic target. In a report, he suggests the Stockholm system of congestion charging would be a "model for UK local authorities".

In Stockholm, motorists are charged up to 36p every time they pass one of the 90 fee stations situated in 10 zones across the city. Lorries get charged up to £1. The Swedish scheme raises more than £90m a year - of which 13 per cent is used to cover the running costs, seven per cent used for noise reduction and public transport and nearly 80 per cent is refunded to residents.

An adviser to John Prescott - now the Deputy Prime Minister - between 1990 and 1991, Professor Whitelegg says that other countries have managed to cut traffic in cities by "sensible" traffic management, innovative parking policies and considering public transport when taking planning decisions.

The report, which is backed by Friends of the Earth and the Green Party, says that Aachen in Germany has seen traffic into the centre cut by 85 per cent in a decade by introducing car-free areas.

Although the solutions are almost universally regarded as the only way to reduce congestion and pollution, ministers are wary of setting national targets.

The Road Traffic Reduction Bill seeks to reduce road traffic levels by 5 per cent by 2005 and 10 per cent by 2010 and is backed by many MPs. A recent poll showed that two-thirds of MPs supported the Bill. But ministerial support is said to be ebbing away.

Environmentalists are prepared to embarrass the Government if it fails to back the Bill - which has been introduced by the Plaid Cymru MP Cynog Dafis. The measure is likely to fail if it does not receive the endorsement of the Government at the critical second reading at the end of this month. The Bill's backers point out that the transport ministers Glenda Jackson and Gavin Strang supported an identical Bill when in opposition.

— Randeep Ramesh, Transport Correspondent

## Teachers threaten to strike after laser pen blinding incident

Teachers said yesterday that they were prepared to strike over a boy who shone a laser pen in the eyes of a member of staff. All 16 members of the National Association of Schoolmasters/Union of Women Teachers at Briston Hall High School, in Oldbury, West Midlands, voted to take industrial action if they were required to teach him.

The boy, who has just completed his mock GCSE exams, was yesterday taught in isolation by the head. Sandwell local authority is to pay for an extra teacher to provide one-to-one tuition for him from today. The dispute began when the boy, who was expelled for temporarily blinding a male teacher with a laser pen, was re-instated by an independent appeals committee.

Nigel de Gruchy, the union's general secretary, said there had been several attacks on teachers with laser pens but this was the first case in which the pupil had been reinstated after an appeal. He said: "These pens are readily available and relatively cheap. Unless we take action to stamp out these incidents, they will spread."

— Judith Judd,  
Education Editor

## Move to avert sheep-dip threat

Moves to stop old sheep dip and solvents reaching "precious" water supplies were announced by the Government yesterday.

Chemicals thrown away on topsoil after use by farmers, or solvents from factories, can seep down into underground aquifers and risk contaminating groundwater. Ministers want to avoid a serious pollution incident and are proposing a new crackdown on the problem.

The changes which are likely to include penalties for people who flout the law, will cover England, Wales and Scotland under the "polluter pays" principle.

A government source said: "Groundwater is a precious resource. It is now clean and it would be very difficult to clean up an aquifer. So there is a very good reason for protecting it."

The plans will go out to consultation over the next three months.

## Four treated after toxic fumes leak

Four people, including a firefighter, were taken to hospital yesterday after a leak of chemical fumes in a shopping centre. Emergency services evacuated shops and public buildings at Barry, South Wales, after passers-by complained of streaming eyes and nausea.

Council teams were called in to flush out sewers in the Holton Road area of the town following the discovery of a cleaning agent believed to have leaked into drains during weekend maintenance work.

South Wales police said the evacuation was ordered as a precaution on the advice of environmental health officials. Three people were taken to Cardiff Royal Infirmary and another person treated at nearby Llandough Hospital.

Around 200 staff and customers at the Dan Evans department store were among those evacuated to a nearby leisure centre.

A police spokeswoman said: "Anyone who was in the area who experienced headaches, dizziness or nausea is being advised to seek medical attention."

## Private nursery fights council in court

A private nursery school yesterday began a legal battle over staff/pupil ratios which may have nationwide repercussions. The Rainbow nursery in Winstanley, Norfolk, is fighting a local authority decision that it must employ more staff per pupil than nursery classes in state primary schools.

William Dickinson, the nursery's owner, told Norwich magistrates that the action by Norfolk County Council would force his nursery to close. The local authority said that he must employ one member of staff for every eight pupils aged three to five; nursery schools and classes which employ a qualified teacher must have two staff for 26 pupils. Mr Dickinson argued that his school could offer good quality education even though he could not afford a one-to-eight ratio nor a qualified teacher with the right experience. The council is contesting the case, and the hearing is expected to last three days.

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# 5/POLITICS

## Long-distance deal saves Ulster talks

Tony Blair made seven calls from Japan to the Irish Prime Minister to secure a deal over Ulster peace proposals. Colin Brown, Chief Political Correspondent, says the telephone diplomacy has worked for now.

Tony Blair's hands on approach in calling Bertie Ahern repeatedly from Japan underlined the crisis in which the talks were placed early yesterday.

Downing Street refused to elaborate on the nature of their talks. However, the number of calls to Dublin in the early hours yesterday was seen as clear evidence that Mr Blair was engaged in crucial, last minute negotiations to win Irish approval for the blueprint for peace to be put to the parties in the Northern Ireland talks.

The two governments had been divided over the Unionists' demands for a power-sharing assembly in the North, which Sinn Fein feared would lead to an internal settlement. Sinn Fein had objected to the word "assembly" in the document.

Bargaining over the fine print went on until the small hours in Japan, where Mr Blair is on a European Union visit. A group of businessmen said the Prime Minister told them he had been up until 3am making calls.

A joint statement hinted at the ground that had divided the

two governments: on the need for clarification over a commitment by Dublin to scrap its constitutional claim to the North; and the operation of the agreement with the existing meetings between Irish and British ministers. These issues were not spelled out in the document.

They said that other matters not directly referred to in the document would be dealt with "where it makes sense – for example, issues where harmonising or cross-border action is appropriate will be dealt with on that basis". Mr Blair also negotiated with David Trimble, the Ulster Unionist leader, and had regular talks with Mo Mowlam, the Secretary of State for Northern Ireland.

There were strong rumours at Westminster that John Hume had disagreed with Seamus Mallon, his colleague in the moderate nationalist SDLP, in the preparation of the draft document. Mr Mallon, it was said, had privately given his assent to an earlier draft, but it had to be renegotiated when Mr Hume objected.

The SDLP leader shared the objections of Sinn Fein president Gerry Adams with the early draft.

Mr Blair had to navigate a path through the minefield of anxieties of both Sinn Fein and the Ulster Unionists in allowing cross-border bodies which will give Dublin a say in services in the North, with the power-sharing assembly in Belfast.

## Words that aim to shape a peace

This is the text of 'Propositions on heads of agreement'.

Balanced constitutional change, based on commitment to the principle of consent in all its aspects by both British and Irish Governments, to include both changes to the Irish Constitution and to British constitutional legislation.

Democratically elected institutions in Northern Ireland, to include a Northern Ireland Assembly, elected by a system of proportional representation, exercising devolved executive and legislative responsibility over at least the responsibilities of the six Northern Ireland Departments, and with provisions to ensure that all sections of the community can participate and work together successfully in the operation of these institutions and that all sections of the community are protected.

A new British-Irish Agreement to replace the existing Anglo-Irish Agreement and help establish close co-operation and enhance relationships, embracing:

An Intergovernmental Council to deal with the totality of relationships, to include representatives of the British and Irish Governments, the Northern Ireland Administration and the devolved institutions in Scotland and Wales, with meetings twice a year at Summit level.

A North/South Ministerial Council to bring together those with executive responsibilities in Northern Ireland and the Irish Government in particular areas. Each side will consult, co-operate and take decisions on matters of mutual interest within the mandate of, and accountable to, the Northern Ireland Assembly and the Oireachtas respectively. All decisions will be by agreements between the two sides. North and South.

Suitable implementation bodies and mechanisms for policies agreed by the North/South Council in meaningful areas, and at an all-island level.

Standing intergovernmental machinery between the Irish and British Governments, covering issues of mutual interest, including non-devolved issues for Northern Ireland, when representatives of the Northern Ireland Administration would be involved.

Provision to safeguard the rights of both communities in Northern Ireland, through arrangements for the comprehensive protection of fundamental human, civil, political, social, economic and cultural rights, including a Bill of Rights for Northern Ireland supplementing the provisions of the European Convention and to achieve full respect for the principles of equity of treatment and freedom from discrimination, and the cultural identity and ethos of both communities.

Appropriate steps to ensure an equivalent level of protection in the Republic.

Effective and practical measures to establish and consolidate an acceptable peaceful society, dealing with issues such as prisoners, security in all its aspects, policing and decommissioning of weapons.

In a parliamentary answer re-



Open case: David Clark, minister for government IT strategy, with the hi-tech red boxes, complete with fingerprint ID. Photograph: Andrew Buurma

## The secret of the ministers' new red box

The days of the government Red Box piled with ministerial homework are about to end – replaced by a hi-tech, talking, listening laptop computer which identifies its owners by their fingerprints.

The intention is to replace the many boxes of paperwork that ministers have to carry back and forth.

The old ones, in use since the days of Gladstone, can carry the equivalent of two telephone directories of paper memoranda and drafts, and ministers can have six or more to carry around. The new computer versions weigh less than

one full box, but can carry many times the contents of the old boxes electronically on their hard disk.

The new system took only a few months to devise, and was produced at the instigation of John Battle, the science and energy minister whose bad back makes it painful to carry full red boxes.

David Clark, Chancellor of the Duchy of Lancaster and minister for Government Information Technology Strategy, unveiled the prototype "new box" yesterday, amidst assurances that it contains security that would defeat even

the most determined hacker who might want to know the number of spoons in the Ministry of Defence canteen.

The machine is cleared to carry top-secret information. It will not work until a chip-carrying signet ring, which generates an encryption "key", is connected – and then a fingerprint ("from a warm finger"), according to a Cabinet Office spokesman) must be tendered for access: dismantling the machine would simply reveal a machine whose hard disk was scrambled beyond decryption.

The box, which consists of a Dell laptop computer, then speaks to the user with the voice of a "female middle-ranking Southern Counties civil servant" (whose identity is being kept secret).

The "contents" of the box are then spread out over a standard "desktop" on screen – defeating a technique used by civil servants of slipping things past ministers by putting them at the end of a deep box of otherwise boring material.

It also contains software which can translate speech into typed text, with "sticky" notes to be attached to documents. When the minister has finished with it, the revised contents can be loaded back onto the government network. That can even be done over telephone lines, because the electronic scrambling cannot be broken by existing computers. Any papers which need signing can be printed out on paper.

Each box will cost about £2,400, including the software, while each minister should only need one or two. At present there can be up to a dozen red boxes floating around a minister's office.

— Charles Arthur  
Science Editor

## Pensions threat denied

Government and Labour spokesmen yesterday denied any suggestion that welfare reform plans posed a threat to the middle classes' state pension.

They said Harriet Harman, Secretary of State for Social Security, had spoken of a possible "affluence test" in the context of disability benefits and statutory maternity pay, not pensions.

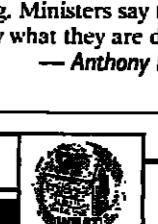
One spokesman said that Tony Blair had spoken of the problem of helping the poorest pensioners – but that did not mean that the better-off were being targeted for pension cuts.

The Prime Minister said in a weekend interview: "You've got a million pensioners at the moment that aren't even claiming the income support to which they're entitled, and living sometimes in very considerable poverty indeed."

But it was said yesterday that one of the problems was that income support was a means-tested benefit, that testing was proving a deterrent, and ministers were trying to find ways of getting around that difficulty to ensure that the money went to those in need.

However, Sally Witcher, director of the Child Poverty Action Group, warned that extending means-testing to universal benefits would make it less likely that the benefit would reach those who needed it. "We hear a lot about cuts, but little about increases to benefit levels, suggesting that the aim is not to redistribute but to reduce expenditure. If redistribution is the intention, then why only within the social security budget, when a much wider redistribution of income and wealth is clearly called for?"

She said the Government could cut social security spending by tackling unemployment, low pay, lack of childcare and rent controls, which were largely the reasons for increased spending. Ministers say that is precisely what they are doing.



## Davies turns down Wales vote inquiry

The Secretary of State for Wales dismissed calls for an inquiry into the counting of votes on the devolution referendum last night despite admitting that last-minute advice was not applied in some areas.

Ron Davies said in a letter to Gareth Thomas, Labour MP for Clywd West, that the discrepancy could not have altered the "clear majority" in favour of a Welsh assembly.

Although new guidance was telephoned to counting officers after the polls closed on 18 September, two of the 22 areas did not follow it. The chief counting Officer, Professor Eric Sunderland, had decided to make it clear that people who wrote "no" next to the "I do not agree" box instead of putting a cross should be registered as disagreeing with the proposal. This did not happen in either Pembrokeshire or Powys.

The statement did not satisfy the Conservatives, who laid 40 questions in Parliament last night on the handling of the vote. Nigel Evans, a Tory spokesman on constitutional affairs, said his party would continue to press for an inquiry.

"Mr Davies is prepared for a question-mark always to remain over the referendum in Wales just simply to ensure that he keeps his job. This is a very sad day and a black day for the people of Wales," he said.

— Fran Abrams

leashed at the same time as the letter, he added: "I should make clear that I have received no representations calling for an inquiry, and I have no intention of calling for an inquiry on this matter."

If there were too few observers this was because political groups failed to nominate enough people. Afterwards, no observer was reported as being dissatisfied with the conduct of the count.

Mr Davies said that two people had written to him about allegations made in the past week. These included claims that it was difficult to identify which boxes came from which areas and that different practices were applied on spoil ballot papers.

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— Fran Abrams

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## Mistress may join Cook's tour

Downing Street officials said last night that Robin Cook would not be taking his partner Gaynor Regan on a "world tour". Colin Brown, Chief Political Correspondent, says she may go to China with the Foreign Secretary.

As diplomatic questions go, whether the Foreign Secretary should take his mistress with him on a diplomatic tour ranks as one of the trickier examples.

With the prospect of meeting the Clintons in Washington, there would have been the tricky business over the canapés of whether to mention the president's own alleged extra-marital affairs.

Downing Street tried to damp down media interest in "Cook's Tour" with his mistress by scotching suggestions that the Foreign Secretary would be taking his live-in lover, Gaynor Regan, with him when he went to the White House on Thursday and Ottawa on Friday.

However, they could not rule out the possibility that Ms Regan, who is now sharing the Foreign Secretary's official residence, Carlton House Terrace, would accompany Robin Cook on next week's tour of China and Hong Kong.

Officials scratched their heads and said they could not find a precedent. There were occasions, said a Downing Street source, when a partner should accompany a minister abroad, particularly if there were social events to host.

Mr Cook announced on Sunday that he

planned to marry Mrs Regan after he had divorced his wife, Margaret.

The Downing Street spokesman said that when Mrs Regan travelled with Mr Cook, it was "as the partner of the Foreign Secretary, who is estranged from his wife".

"Robin Cook has made clear that he is estranged from his wife and regards Mrs Regan as his partner. It is not unusual for the spouse or partner of a minister to go on official visits of that sort, particularly if there are cultural aspects or the host would also be accompanied."

A Foreign Office spokesman said Mrs Regan would not travel as Mr Cook's secretary but as his partner. "Her activities are synonymous with being a spouse." Her official trips would be funded from Government sources, as with other partners and spouses.

# 6/IN THE COURTS

## Judges dismiss Guerin murder suspect's fight against extradition to Ireland

A man wanted by the Irish police in connection with the murder of award-winning investigative journalist Veronica Guerin yesterday lost his High Court battle against being sent back to Ireland to face trial.

Two judges in London dismissed an application for a writ of habeas corpus made in an attempt to free John Gilligan from custody. His lawyers are now considering whether to appeal to the House of Lords against the decision.

A total of 18 extradition warrants were granted by the Special Criminal Court in Dublin seeking Mr Gilligan's return to face a murder charge arising out of the shooting of Ms Guerin in June 1996, as well as firearms and drug trafficking offences. Today Lord Justice May, sitting with Mr Justice Astill, rejected claims by his lawyers that there had been unfairness and an abuse of process in legal proceedings which led to the order for him to be delivered up.

The judges upheld an order made at Woolwich magistrates' court in south London last October that Gilligan should be sent back to Ireland to face the murder charge, although two of the warrants were

Lawyers for Mr Gilligan unsuccessfully argued that the order was flawed because there was insufficient material before the stipendiary magistrate enabling him to conclude that the offences specified in the Irish

warrants corresponded with English offences, as required by law.

Mr Gilligan, 45, of Dublin, had been facing prosecution in England for drugs-related offences. But the English trial was adjourned after the courts accepted that moves to return Gilligan to Ireland should take precedence.

Yesterday, the High Court ruled that the decision was "fully justified" and not open to judicial review. The judgment also

found that there had been "good and sufficient cause" for extending the time limits for his custody.

Mr Gilligan described himself as "the prime suspect" shortly after Ms Guerin's death, but strenuously denied being involved in the murder.

He was arrested in October 1996 at Heathrow airport on charges of drug trafficking and money laundering, and is now being held at the high security Belmarsh

prison in Woolwich. He was alleged to have been attempting to board a flight to Amsterdam with a case containing £330,000 cash, mostly in Irish and Northern Irish currency.

Ms Guerin, 37, an award-winning journalist and mother of a young son, was shot dead at the wheel of her car in Dublin by two hitmen on a motorcycle in June 1996 prompting one of the biggest investigations undertaken by the Irish police.

## Drink-driver who killed is saved by victim's father

A Cambridge student who killed two of his friends in a drink-drive accident avoided going to jail after an emotional appeal from the father of one of the victims. But, says Andrew Buncombe, campaigners claim the judge has made a mistake.

John Were had been drinking quite heavily at a 21st birthday party, but it was late and he and his friends wanted to get home. He did not want to drive but his friends persuaded him, and the six of them clambered into his Volkswagen Golf.

On a bend of a narrow road near Mapledurham, Oxfordshire, the car careered into a tree. The 21-year-old Cambridge undergraduate was unharmed but Jonathan Sage, 21, and Lisa Cohen, 19, were killed instantly. Simon Dixon, 21, received multiple injuries, while Jonathan Messum, 21, and Ross Elder, 21, both suffered broken arms.

Yesterday, Were, of Walton Hill, Newbury, Berkshire, appeared at Oxford Crown Court having pleaded guilty to two counts of causing death by careless driving with excess alcohol, in the accident last July.

He could have received a maximum sentence of 10 years imprisonment, but David Sage, father of Jonathan, said in court that he did not want to see Were sent to jail.

"It would not help us at all. I feel no feelings of retribution to John," he said. "I know in my

heart of hearts that my son had some degree of responsibility for what happened and I would not like to see John go to prison. My wife is of absolutely the same opinion." The father of one of the injured passengers, Air Vice-Marshal Ronald Elder, was also in court to support Were.

Having heard Mr Sage's appeal, Judge Charles Harris said he thought there were exceptional circumstances and that sending Were to jail would only exacerbate his "lifelong anguish". He sentenced him to an 18-month term suspended for 12 months. "This sentence is not normal for a person who commits an offence of this kind but the circumstances are exceptional and justice does not call for an immediate prison sentence," he said.

After the hearing Were, a second-year English student who was three times over the alcohol limit, said he was relieved by the decision. "I thought I was going to go to prison."

But Maria Cape, spokeswoman for the Campaign Against Drinking and Driving, said yesterday: "I am very surprised about this. Not only must the father of the dead man be very forgiving but I think the judge is wrong. The people killed in this tragedy were passengers in the car. On other occasions it could be people walking on the road. I think the judge is sending out the wrong message. I certainly think [Were] should have gone to jail."

The group is seeking to reduce the legal alcohol limit for driving from 80mg to 20mg per 100ml of blood.



John Were at Oxford Crown Court yesterday with his sister Anna

Photograph: Ben Gurr

## Welsh Office gets blame for inaction on child abuse

It was suggested at the North Wales child abuse tribunal yesterday that lack of action by the Welsh Office created the climate in which the 'evil actions' of some carers could go undetected. Roger Dobson looks at the accusations.

Welsh Office failings under the Tories may have allowed a climate in which abuse in children's homes could flourish. The North Wales abuse tribunal was told yesterday.

If the basic mechanisms to safeguard and sustain the welfare of a child in care were not in place, and the Welsh Office through ignorance or otherwise did not intervene effectively, what prospect was there that the evil actions of a minority of carers would be prevented or detected?" asked Gerard Elias QC, counsel for the tribunal.

"From the point of view of a victim of abuse, the Welsh Office was in all probability as unknown as it was unseen," he said in his opening speech on the role of the Welsh Office.

He revealed that in the mid-Eighties, when abuse is now alleged to have been widespread, the Welsh Office reduced the number of inspectors it employed from 14 to five. By the early Nineties, he said, there was only one inspector to deal with child care. Last year, the inspectorate was increased to nine.

The tribunal was told that from 1976 to 1987 there was no formal system to monitor services or standards. The Welsh Office was also accused of ineffectiveness, of being non-interventionist, of substituting excuse for strategy, and of being unaware of persistent failings at local level. "The tribunal may think that ... the Welsh Office failed to plan

where abuse could flourish."

The Welsh Office response to a major national report was also criticised. Why was a circular not issued after the Kinvara report restricting home managers' job to qualified staff? "The tribunal may think that the ... response to the report was as ineffective as this case as it was in respect of many other reports," he said.

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## 'Minority could be misled' by diaries

Only a small minority of readers of the London Evening Standard could be misled into believing that a parody of Alan Clark's Diaries, published by the newspaper, was written by the Conservative MP himself, the High Court in London was told yesterday.

In a closing speech Peter Prescott, QC, counsel for the Standard, said the case was an important one because of its implications for freedom of expression. Evidence in the case, in which Mr Clark is seeking an injunction to prevent the newspaper from running the parody in its current form, is expected to conclude today.

— Kathy Marks

## Six charged after teenage death

Six teenagers charged with harassment following the death of 13-year-old Kelly Yeomans appeared before magistrates yesterday.

The boys, aged 13 to 17, are accused of harassment between 4 September and 25 September 1997, while the girl, 15, faces an allegation of harassment on 25 September last year. None can be named for legal reasons.

Kelly was found dead at her home in Alton, Derby, on 29 September last year after apparently swallowing an overdose of painkillers. Her family alleged she had been bullied. Magistrates adjourned the hearing at Derby Youth Court and all six teenagers were bailed to reappear on 27 January. An inquest has been adjourned until the outcome of criminal proceedings is known.

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# 7/ENVIRONMENT NEWS

to Ireland

## UN launches battle to save the oceans

**The UN has declared 1998 the International Year of the Ocean to highlight the threats that seas face from pollution and over-exploitation, and their importance to man.** Nicholas Schoon, Environment Correspondent, sees the World Wide Fund for Nature back the fight.

Forests have been called the "lungs of the world", but the oceans are just as deserving of this title. They absorb about half of the extra carbon dioxide which our accelerating consumption of gas, oil and coal are adding to the atmosphere. They play a crucial role in regulating and stabilising the climate.

They are also a ladder for mankind, albeit one that is being grievously raided. "There is overwhelming evidence that not just fish stocks but the vast bulk of the renewable resources of the ocean are being over-

exploited," said Prince Philip at a WWF press conference in London yesterday.

It took three years for the first United Nations treaty covering fish stocks shared between nations to be negotiated. Yet only 12 of the top 30 fishing nations had signed the agreement and only four had gone on to ratify it since the agreement was reached in 1995. It therefore has no legal force as yet.

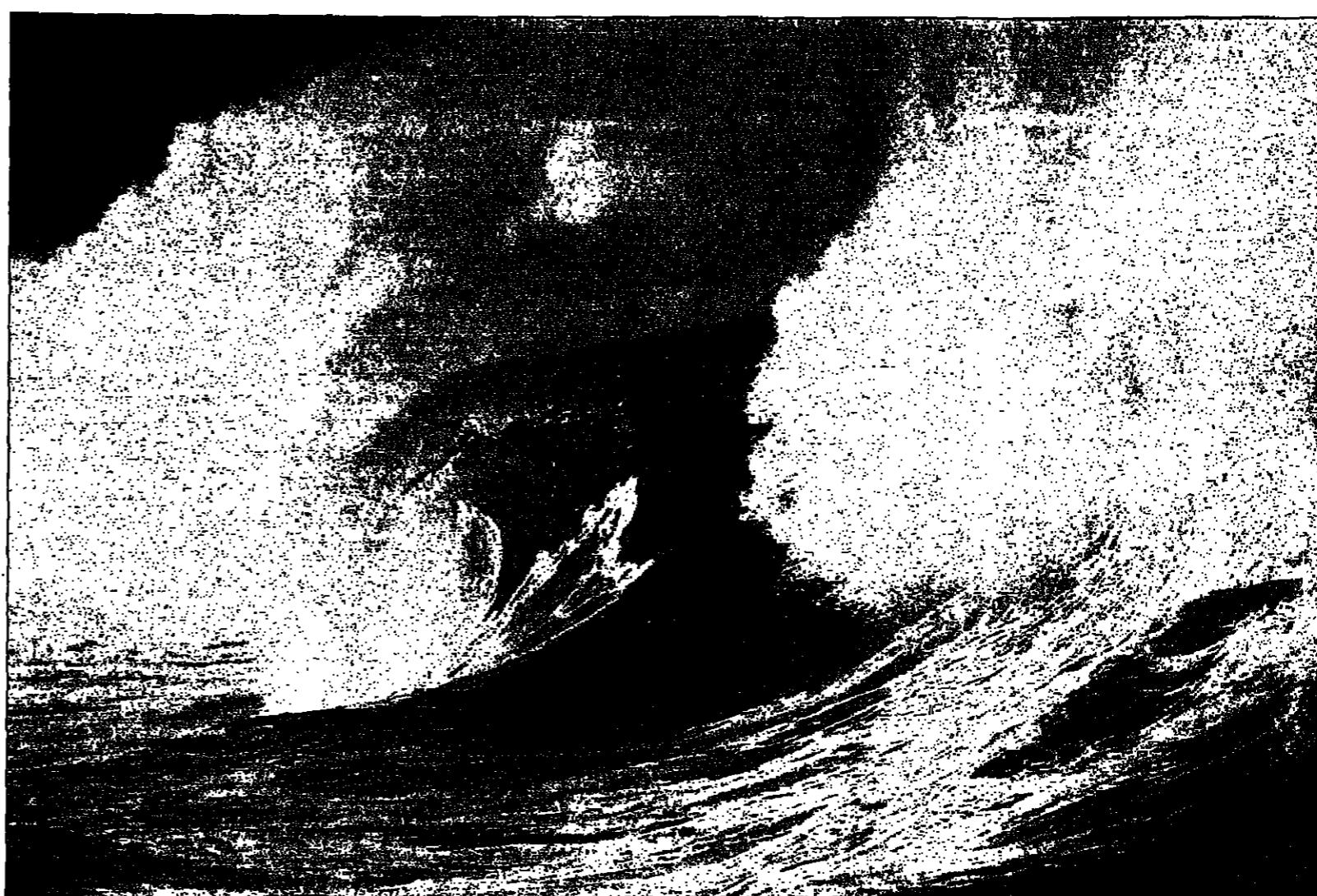
"The response has been disappointing, to put it mildly," said the Duke of Edinburgh. "If... governments do not implement the terms of the agreement as soon as possible... there will be very little for the next generation of fishermen to catch."

At the launch yesterday the WWF cited an estimate from the UN's Food and Agriculture Organisation that while some 80 million tonnes of fish were landed each year, 20 million tonnes were thrown over the side of boats, dead, because the nets bring up the wrong sort of fish – over quota, or undesired. But this "bycatch" is gradually reducing, for as the prized fish species become scarcer, markets

are opening for what was once considered "trash fish". The bycatch includes huge quantities of juvenile fish as well as sharks, dolphins and turtles. A recent study estimated that more than 40,000 albatrosses are killed annually by tuna fishermen using lines up to 80 miles long, with as many as 3,000 hooks.

The WWF, along with food multinational Unilever, has supported the formation of a Marine Stewardship Council. Its task is to award eco-labels to fish and fish products, which are caught without posing any threat to stocks. The hope is that such fish will attract a premium price, encouraging more of the industry to subscribe.

Marine biologist Sidney Holt, of the Independent World Commission on the Oceans, said: "I read many of the publications for the fishing industries... For every sentence there may be published about... conservation, there will be a page or more about the building of more, bigger and more powerful boats, the construction of bigger nets... Making profits now or soon is the name of the real game."



Clear waters: The International Year of the Ocean, started yesterday, will draw attention to the plight of the seas. Photograph: Alex Williams/Planet Earth



## South African invaders spell death for the floral symbol of Spain's sunny south

**The face of Spain is being transformed as a South African butterfly eats its way through the essential feature of every Mediterranean balcony and patio.** Elizabeth Nash reports on the eradication of the geranium.

The geranium, much loved by Spaniards, and butterflies

So farewell then, that riotous blast of colour as essential to the image of southern Spain as sultry señoritas in polkadot flounces. The decline of the geranium, renowned for its indestructibility, is preoccupying a nation of balcony-lovers as they watch their favourite pot plants wither and die.

The geranium is being destroyed by a plague of South African butterflies and the southern Mediterranean is set

to become a geranium-free zone. The culprit is *Cacyreus marshalli*, known as the Geranium Bronze, a common co-habitee with the flower in its South African habitat but a murderous predator in Europe since it was inadvertently introduced into Mallorca in 1989.

The butterfly lays its eggs on a plant and when the grubs hatch they burrow into the stems and buds and munch the plant from within. Protected

from pesticides, they destroy a pot of blossoms within weeks.

Only the far northern Cantabrian coast remains untouched by the butterflies, which have spread to Portugal, southern France, Italy and the Netherlands.

"The butterfly was introduced by someone importing an infested cutting, because this is not a migratory species. It's now impossible to stop the plague," says the Catalan

botanical scientist Albert Massó, who has been studying the matter for six years.

In Spain 500 greenhouses produce 10 million geraniums for sale in a business worth £13m a year. The agricultural pressure group Vida Sana (Healthy Life) says commercial pressures caused the problem.

"Intensive cultivation in the greenhouse at a temperature of 30 degrees speeds up the butterfly's life-cycle from its normal 82 days to 33 days. This produces twice as many generations of butterflies in the year, even during the winter," a spokeswoman said.

"Nonsense," says Dr Massó. "The problem comes when the plants are put in gardens or balconies. The majority of geraniums start off healthy and are attacked later, because the Geranium Bronze has no natural predators in Europe."

Strong insecticides applied every two weeks, keep the plague at bay, he says. But Vida Sana says pesticides tackle only the symptoms, not the cause of the problem.

Dr Massó agrees that pesticides are only a short-term solution. "We cannot combat this plague effectively. It might leave some corners untouched, but it will continue. I am pessimistic."

We must, therefore, reconsider the virtues of the petunia.

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Three women: The jury members of the 1998 Montblanc de la Culture award yesterday at Apsley House, in London, home of the Marquess of Douro, chairman of the Montblanc foundation; (from left) Thelma Holt, the theatre producer, the novelist Josephine Hart and Darcey Bussell, the principal ballerina; the arts award, in its seventh year, is to raise awareness of the need for increased arts patronage. Photograph: David Rose

## Bart's doors may close as Labour follows Tory lead

An inquiry into the future of London's health care has decided that St Bartholomew's hospital should close, but has been unable to agree whether this is realistic. The conclusion is, nevertheless, likely to seal the fate of the capital's oldest hospital, says our health editor.

Bitter disagreements have blighted the London Review panel, set up last May by Frank Dobson, in one of his first acts as Secretary of State for Health, to examine the future of health care in the capital.

The five-member panel, chaired by Sir Leslie Turnberg, former president of the Royal

College of Physicians, has been unable to agree whether closing St Bartholomew's hospital and transferring its departments to the Royal London is practical, and has made no recommendations about proposed changes at Guy's and St Thomas' hospital.

BY JEREMY LAURANCE

However, it has concluded that London no longer has too many hospital beds.

The review panel's report has been with ministers since November and publication was expected before Christmas. A health department spokesman said it would now appear "in the coming months".

The delay reflects the political sensitivity of the decisions facing ministers. The review was promised before the election by Chris Smith, then shadow health secretary and an Islington MP, as a means of staving off unpopular decisions. St Bartholomew's hospital, which has stood on its Smithfield site over the border from Islington for 870 years, was earmarked for closure by Virginia Bottomley, the then Tory health secretary, and has been the subject of an emotive five-year campaign to save it.

The review panel's report says the best answer to the Bart's problem would be to transfer its remaining departments (the accident and emergency department closed three years ago) to the Royal London in Whitechapel, in line with the former Tory policy, where there are plans for redevelopment to provide 1,200 beds at a cost of £250m, funded through the private finance initiative. The plans would also involve the closure of the London Chest Hospital

and the Queen Elizabeth Hospital for Children, merging all four hospitals on a single site.

The plans are backed by the Royal Hospitals NHS Trust, encompassing the four hospitals, which says keeping Bart's open would cost an extra £26m a year, and by the consultant staff of the Trust who voted overwhelmingly in favour of the single-site solution in a ballot before Christmas.

However, a minority on the review panel argued that closure of Bart's would result in an unacceptable loss of beds that would be unlikely to be re-provided at the Royal London. They also questioned its affordability, pointing out that the Chelsea and Westminster Hospital in west London, which opened in 1993, cost more than £200m to provide only 600 beds.

The panel's report, agreed after its final meeting on 6 November, sets out the pros and cons of closing Bart's put forward by the two sides, leaving the final decision to ministers. It is understood that health ministers have reluctantly accepted that the Tories' closure plan should go ahead but any decision would only be taken with the agreement of the Prime Minister and the Treasury.

The review report says that London now has fewer hospital beds than the rest of the country, when account is taken of patients coming into the capital from outside for treatment.

The report makes no recommendations on the plans for Guy's and St Thomas', Britain's largest NHS trust. However, it raises questions about the proposals to close Guy's accident and emergency department in 1999 and to build a 232-bed women and children's hospital costing more than £100m on the St Thomas' site while mothballing an 11-storey tower three-quarters of a mile away on the Guy's site.

## Union quits TUC in Ford race row

A 15,000-strong lorry drivers' union yesterday resigned from the TUC in a row provoked by an allegedly racist recruitment procedure at the Ford car plant in Dagenham.

The United Road Transport Union (Urta) had faced suspension over claims that it had "poached" from the Transport and General Workers' Union some 300 truck drivers based at the Essex works. The drivers voted to join Urta after the 890,000-strong TGWU took legal action against the system for selecting employees for the truck fleet. The TGWU claimed the recruitment practices discriminated against members of ethnic minorities, but existing drivers disagreed, left the union and joined Urta.

A spokesman for the smaller union denied "poaching" members and said the TUC's insistence that it should hand them back was unlawful. "Workers have the right to belong to the union of their choice," a spokesman said. "On the one hand the TUC was saying it expected unions to behave in accordance with the law – and on the other hand telling us to disobey the law ... We have not been treated fairly."

The lorry drivers' union said it would save £25,000 by its decision, which it would spend on services to members. It had decided to quit the TUC rather than acquiesce in the suspension which was due to last until September's annual congress.

Bill Morris, leader of the TGWU, which has pointed out that only "two or three" of the 300 drivers were from ethnic minorities, said the union was committed to equality of opportunity. He urged the rebel drivers to rejoin his union.

John Monks, TUC general secretary, said he was "saddened and disappointed" by the decision and denied his organisation was breaking the law.

—Barrie Clement  
Labour Editor

## DAILY POEM

### From the Other Side

By John Hartley Williams

*The man explained to his astonished listeners  
He'd been dead a while. Then a tag  
On his mortuary toe had twitched  
They warmed him up. Three weeks he'd been in the freezer  
Had he dreamt anything at all during this time?  
O yes. The moon kept sailing up, as if  
Into the dark blue theatre of his mind, & a toy boat  
Crossed a wooden sea with an elegant tabby  
Strolling its planks, a pole on her shoulder  
And a spotted handkerchief on the end  
What was in the handkerchief? they asked  
Two pictures of a woman. A bundle of letters ...  
And the cat ... ? The cat spoke fluent Hungarian –  
A language he'd never bothered to learn*

Our Daily Poems until Monday 19 January (when the winner will be announced) come from the volumes shortlisted for the 1997 TS Eliot Prize, presented by the Poetry Book Society. All the authors will take part in a reading on Sunday 18 January at 7.30pm in the Almeida Theatre, London N1 (box office: 0171-359 4404). This poem comes from *Canada* (Bloodaxe, £7.95). © John Hartley Williams.

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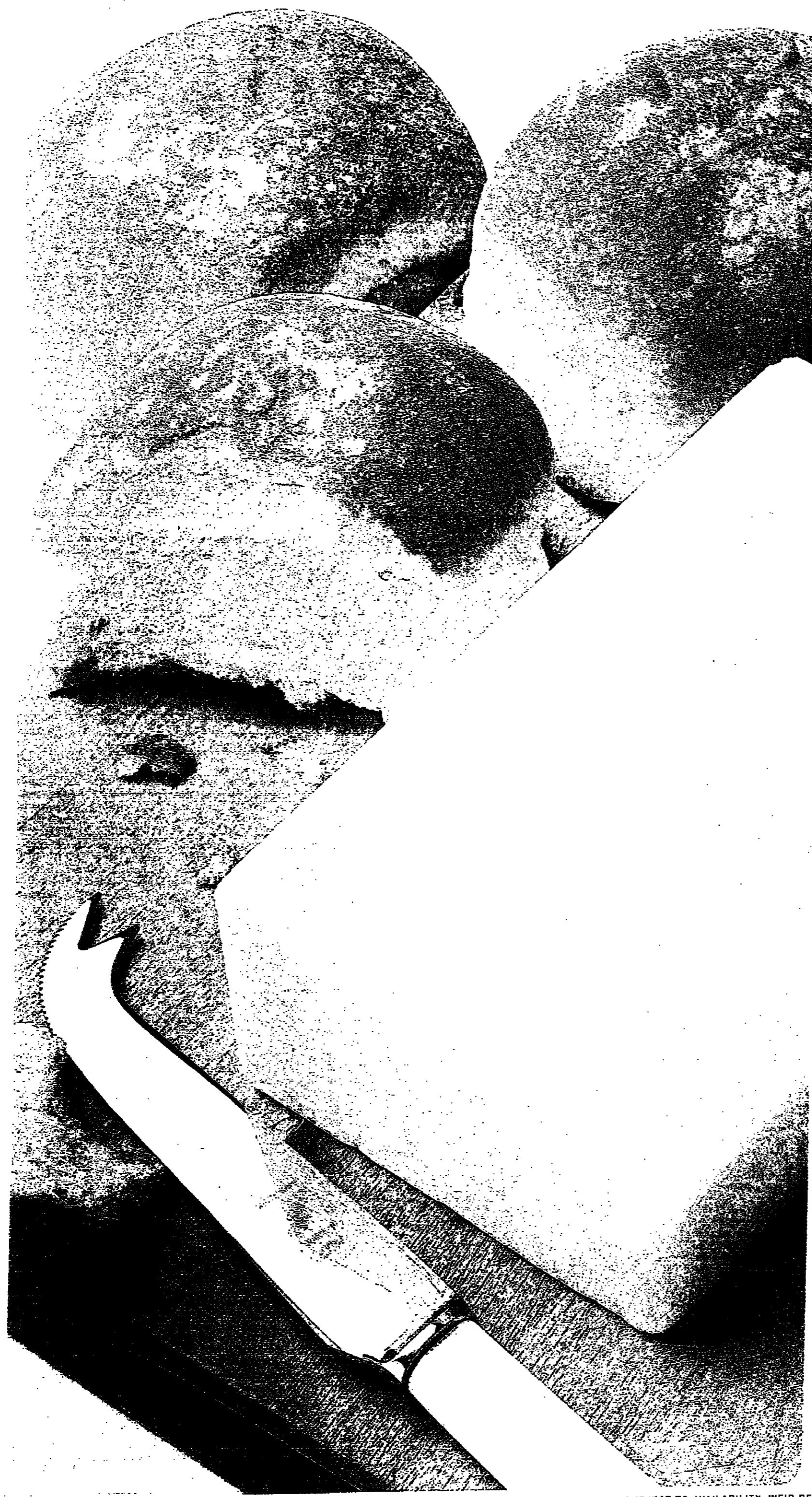
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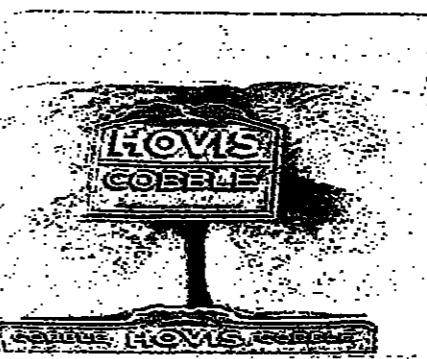
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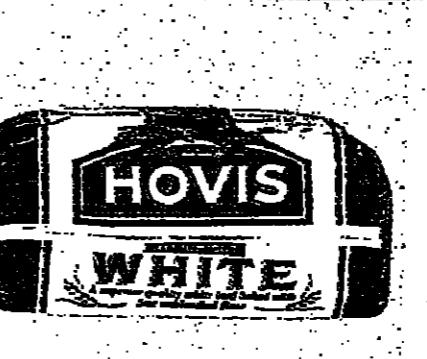
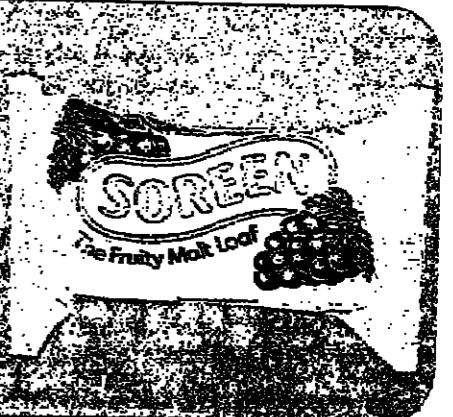
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## Rwanda mass killers armed by France

France exported arms to the former Hutu regime in Rwanda in 1994, even though genocidal massacres of Tutsis were happening on an epic scale, says new evidence. The late President Mitterrand is quoted as saying: 'In countries like that, genocide is not so important.' John Lichfield reports.

Even from the point of view of realpolitik and overriding national interest, French policy on central Africa in the 1990s has been a disaster. First Rwanda and then Zaire fell into the hands of rebel forces profoundly hostile to France and French influence in the region.

*Le Figaro* began articles yesterday investigating the moral and political motives of French diplomacy in the region 1990-1994, a policy driven mostly by the Socialist François Mitterrand. The investigations by Patrick de Saint-Exupéry are all the more startling for appearing in the patriotic *Le Figaro*. Although they mostly blame Mitterrand, they also accuse the then centre-right government of Edouard Balladur of cravenly accepting a policy of uncompromising support of the murderous Hutu regime in Kigali.

Fearing an extension of US influence, Mitterrand insisted on supporting the Hutu government, despite evidence that genocide was planned and even after the massacres began. *Le Figaro* quotes him as telling advisers: 'In countries like that, genocide is not so important.'

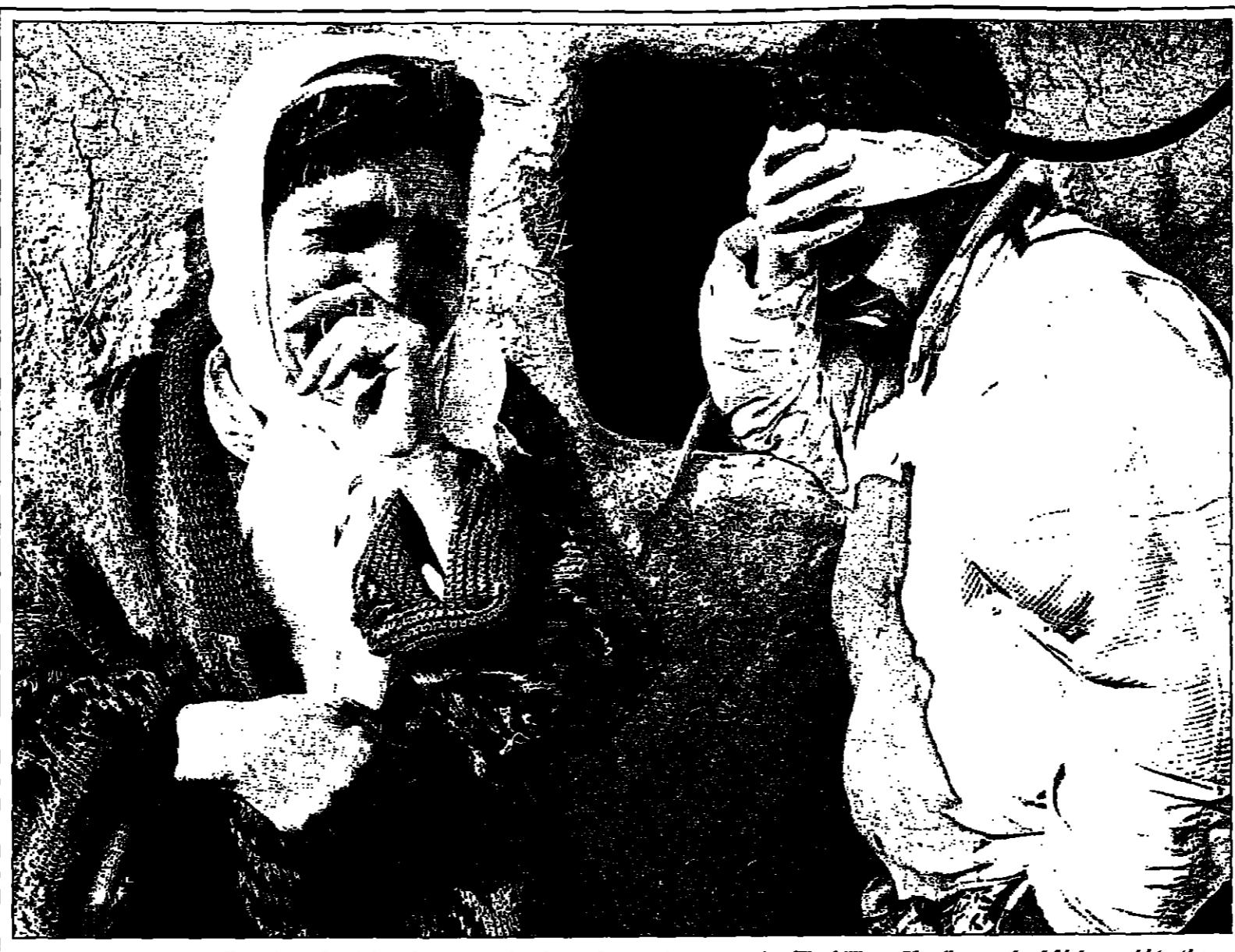
In May 1994, two months after the start of massacres which killed 850,000, *Figaro* reports, arms were delivered from

France to Rwanda. The Foreign Ministry denied it yesterday, saying Paris halted all arms exports in 1993. *Le Figaro* reported, however, that it was told by a senior officer that shipments continued until a month before France's 'humanitarian' intervention in the conflict on 23 June, 1994. The paper also said arms for the Rwandan government continued to arrive at the airport in Goma in Zaire in July of that year, when it was controlled by French troops.

*Figaro* also says two Rwandan officials, including one now under arrest on suspicion of inciting genocide, visited the Elysée Palace, home of the President, and Matignon Palace, home of the Prime Minister, in April 1994, three weeks after massacres of civilians began. At the Elysée they saw Bruno Delaive, then head of the African advisory 'cell'. He told Mr de Saint-Exupéry: '(At the Elysée) I must have seen 400 murderers and 2,000 drug-traffickers. When it comes to Africa, you can't help getting your hands dirty.'

Defeat of the genocidal Hutu government in the war with Tutsi forces, invading from Uganda, damaged French influence in the region, and Africa as a whole. The new Rwandan government went on to support Laurent Kabila's rebels in their push against President Mobutu in Zaire (also supported by France almost to the last). The episodes, and budgetary restraints, forced a re-examination of France's African policy. The present prime minister, Lionel Jospin, and his predecessor, Alain Juppé, favoured lower-level military engagement and less unquestioning support of authoritarian regimes.

■ Kigali: Hutu rebels killed nine Catholic nuns at a convent in Rwanda's north-western province. *Reuters* reports.



Algerian villagers mourn victims of a night raid by terrorists in Bouira province yesterday. The killings, 50 miles south of Algiers, add to the slaughter in the conflict between government forces and Islamic extremists. About 1,000 people have died so far this year. Photograph: Reuters

## Iraq slaps new ban on weapons inspectors

Iraq yesterday headed into a new confrontation with the UN saying it will not allow any arms inspection by an American it claims is a spy. It also complained that the inspection team was dominated by US and British experts.

Patrick Cockburn reports on the renewed crisis.

'It is absolutely untrue,' says Scott Ritter, the head of the UN team monitoring Iraq's strategic arms. 'I have never been employed or affiliated with the CIA. I find it disturbing and even insulting that Iraqi authorities with whom I have worked in the past six years would undertake such tactics.'

Iraq announced yesterday that from this morning Mr Ritter would be banned from carrying out inspections. A UN official confirmed that the team contained nine Americans, five

Britons, a Russian and an Australian. The decision by Iraq appears to mean that the confrontation between Iraq and the UN which led to a crisis in November is set to resume.

The Iraqi News Agency quoted a government spokesman as saying that Mr Ritter's team included too many Americans and Britons, adding the team will not be allowed to carry out inspections unless it is recomposed in a more balanced manner.

In New York, Ewen Buch-

anan, a spokesman for the inspection team, said the United Nations had not been informed officially of the Iraqi decision: 'We're trying to find out what this means.'

The UN says that trade sanctions imposed on Iraq after its 1990 invasion of Kuwait will not be lifted until its weapons of mass destruction are destroyed. Iraq and much of the Arab world sees the weapons inspections as simply a way for the US and Britain to keep Iraq permanently under economic embargo and politically weak.

## Vaccine hope in Aids war

In what could be a milestone in the battle against Aids, the US government has given the green light to a first full-blown human trial for a possible vaccine developed by a small biotechnology company in San Francisco.

Roughly 7,500 healthy people will be picked for the three-year \$20m (£12m) study, which is due to begin shortly. If it is successful, a vaccine could be publicly available early next century.

While some 40 potential vaccines have been developed by US researchers, most have been disappointing and only one has made it to phase II testing. This is the first time approval has been given for a fully fledged phase III study. While phase II studies are designed to evaluate the safety of a vaccine, it is only at phase III that effectiveness is properly judged.

The company, VaxGen, said about 5,000 of the participants will be in the US with another 2,500 recruited in Thailand. About half the individuals, who will be healthy but at high risk of HIV infection, will receive the vaccine while the others will be injected with a placebo.

'There's nothing magic about this vaccine, but it's our best hope so far and it's time to take the next step,' Donald Francis, president of VaxGen, is reported as saying. 'I am optimistic.'

The reaction in the Aids advocacy community, which has suffered so many disappointments, was cautious. 'The vaccine is not the end of the road. It is the beginning,' said Jose Zuniga of the International Association of Physicians in Aids Care.

The key ingredient of the experimental vaccine, which has been under development for a decade, is a protein named gp120, which should bind together the Aids virus in the body. In theory, it will help create antibodies that would prevent the virus from attaching to receptors on white blood cells.

— David Usborne, New York

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## US hints at Clinton broadcast to Iran

President Bill Clinton is considering whether he might respond in kind to last week's overture from the Iranian President, Mohammad Khatami, by making a television broadcast to the Iranian people. The idea was initially floated by an Iranian newspaper and was not excluded as a possibility by Mr Clinton's National Security Adviser, Sandy Berger.

In one of the most positive assessments of Mr Khatami's television interview to have come from US officials, Mr Berger praised the 'new tone' in the Iranian President's words and said: 'We would like to have a new relationship, a better relationship, with Iran.'

Asked about prospects for an interview, he told the CNN network, which conducted and broadcast Mr Khatami's interview, 'We'd certainly take a look at it.' Diplomatic relations between the US and Iran were broken off in 1979 after Iranian Islamic Revolutionary Guards laid siege to the US embassy.

Mr Berger said that Washington would consider ways to encourage unofficial exchanges between US and Iranian private

citizens — the 'popular diplomacy' called for by Mr Khatami last week. He also promised a review of the present, exceptionally tough, US visa regulations applying to Iranians.

These undertakings follow the disclosure last week that the US might reconsider its policy of sanctions against individuals and third countries that do business with Iran — a policy that has strained relations with several countries, in particular France and Russia.

— Mary Dejevsky, Washington

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Equality cuts loose in the hair salon

It has been decades since hairdressers went unisex, inviting men and women into the same salon, but in New York City they will now have to take the concept a step further. Pricing must be unisex too.

Thanks to a law just passed by the city council, salons that post prices in their window that distinguish between basic cuts for men and women will be breaking the law. They could be fined \$500 if they persist.

Indeed, gender discrimination will be a no-no for all businesses. Dry cleaners will no longer be able to charge more for a woman's blouse than a man's shirt. Department stores that ask women to pay for al-

literations on clothes but offer trouser turn-ups to men for free will also have to change. And say goodbye to those come-ons that bars sometimes try out like half-price drinks for women on Fridays.

For its promoters, the move is a logical extension of the broader anti-discrimination laws.

"It was an injustice what was being done to women," said Karen Koslowitz, a councilwoman.

"Nowadays, it's the same thing.

Men colour their hair; they have it blow-dried; they have it styled. Where I go, you see men in there all the time."

For its critics, it takes gender-correctness a furlong too far.

— David Usborne, New York

## Murder bid to kill Kaunda

Lawyers for the detained former president Kenneth Kaunda said the Zambian government tried to kill the veteran politician and even planned national mourning for him.

Sebastian Zulu told Lusaka High Court that the shooting of Dr Kaunda during a rally in August in the town of Kabwe was an assassination attempt. Dr Kaunda was injured in the attack. 'Four days before the Kabwe shooting the government had already prepared a period of national mourning,' Mr Zulu said.

— AP, Lusaka

## Deadly Chinese retaliation

China executed 16 people in its restive north-western Muslim region of Xinjiang for murder and robbery during a wave of anti-Chinese violence last year, a court official said.

In Almaty, in the former Soviet republic of Kazakhstan, a spokesman for a Muslim exile movement said China had executed 13 Uighur separatists but vowed that their fight for an independent 'East Turkestan' would go on. The Chinese said death-row convicts included a gang who killed and robbed to 'fan ethnic hatred and create an atmosphere of terror'.

— Reuters, Peking

## Close call for Netanyahu

The coalition of the Israeli Prime Minister, Benjamin Netanyahu, managed only a tie against an opposition no-confidence motion, reflecting the government's precarious political situation.

The former foreign minister David Levy voted with the opposition, as did four of the five members of his Gesher faction. He also promised a review of the present, exceptionally tough, US visa regulations applying to Iranians.

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— AP, Jerusalem

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## Professor power takes on EMU

Four academics took the fight against the euro to Germany's highest court yesterday. In theory their action could stop monetary union in its tracks, but, as Imre Karacs explains, that is the least likely outcome.

In a country where almost nothing happens without a lawsuit or three, it was always inevitable that the German government's attempt to abolish the Deutschmark would be dragged through the courts. The plaintiffs in the latest case of Germans versus Germany are eminent academics: three leading economists and a legal expert. The venue is the Constitutional Court in Karlsruhe, whose crimson-robed judges are renowned for their Deiphic pronouncements.

In a 350-page deposition handed over to the porter at Germany's highest court yesterday, the professors argue that a politically disunited Europe does not need currency union. EMU, in their view, is therefore not only a superfluous, but also a dangerous exercise.

In their learned opinion, member states have failed to meet the criteria laid down in the Maastricht Treaty. "All the required conditions for a successful start and operation are clearly absent," said one of the petitioners, Wilhelm Nölling, a former member of the Bundesbank Council. "Europe is simply not ready for such an adventure or experiment."

Germany, in their view, has itself failed to fulfil the entrance requirements, coming close on certain points only by "window-dressing". They point out that the budget deficit for the qualifying year of 1997 exceeded the 3 per cent limit laid down in the Maastricht Treaty. The latest independent estimates put it at 3.1 per cent, when measured in accordance with the EU's accounting rules.

The ratio of public debt, at 61.8 per cent of GDP, also fails the 60-per-cent test.

Even the other two Maastricht criteria – inflation and long-term interest rates – leave the academics unimpressed, because they believe them to be unsustainable amid Germany's record unemployment.

This is a bleak picture, described by the investment house Deutsche Morgan Grenfell as being "wildly out of touch with reality". It is also, to a large extent, irrelevant. To some degree, the Maastricht Treaty is open to interpretation.

In 1993 the same court in Karlsruhe ruled, at the behest of one of yesterday's petitioners, that economic and monetary union in Europe would have to be based on the "strict and narrow" interpretation of the Maastricht Treaty.

Just how "strict and narrow" is for the Bundesbank, the German legislature and representatives of the EU member-states to decide. As a result of the first Karlsruhe judgment, Germany's two-chamber parliament, the Bundestag and the Bundesrat, have the power to scupper EMU. They will take a vote in April, on the basis of the expert opinion of the country's central bank. Since the Bundesbank is broadly in favour of EMU, and all the main political parties overwhelmingly supportive, the outcome of April's votes is a foregone conclusion.

Under these circumstances, the best the academics can expect from the Constitutional Court is a mild rebuke for European governments. The most likely message from Karlsruhe will be deafening silence.

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Photograph: AFP

## France still haunted by the spectre of Dreyfus

The headline "J'accuse...", published 100 years ago today, changed the course of French history. It led, eventually, to the exoneration of Alfred Dreyfus, the Jewish army captain found guilty of treason on trumped-up, anti-Semitic charges.

*John Lichfield in Paris asks why, a century later, the Dreyfus Affair still reverberates so powerfully in France.*

The novelist Emile Zola wrote hundreds of thousands of words but he is best remembered for just two which properly speaking he did not write.

It was Georges Clemenceau, editor of *L'Aurore*, later prime minister of France, who decided to splash "J'accuse..." on the front of his newspaper, above Zola's ironically angry intervention in the Dreyfus case.

The writer, author of *Germinal* and *La*

*Bête Humaine*, used the words over and over in the text but he had titled his piece, rather pedantically, "Letter to the President of the Republic". It was Clemenceau's startling headline – all the more startling because such headlines were not yet common – which increased circulation of the newspaper 12-fold to 300,000 and helped Zola to change the alarming direction of "L'affaire Dreyfus".

France celebrates the headline and the Zola letter this week with ceremonies, seminars, and the draping of a 150-square-metre reproduction of the front page of *L'Aurore* over the facade of the National Assembly. President Jacques Chirac has marked the occasion with an eloquent letter to the descendants of Zola and Dreyfus. "The Dreyfus Affair," he said, "tore French society apart, divided families, split the country into two enemy camps, which attacked each other with exceptional violence... It was a reminder, he said, that the 'forces of darkness, intolerance and injustice can penetrate to the highest levels of the state'." Why is the Dreyfus case still

such a live issue in France? Arguably, it changed the course of French history, confirming France as a republican and democratic state, defeating the forces of extreme nationalism, racism, clericalism and nostalgic royalism which might have wiped the country into a kind of proto-fascism or Francoism.

It was Zola's letter which tipped the balance, persuading other French writers and scholars to join the battle to exonerate Dreyfus. This was the supreme prototype for the engagement of French intellectuals in politics: the word *intellectuel* was first used as a noun during the Dreyfus Affair.

Secondly, the existence and strength of the far-right National Front – direct spiritual descendants of the die-hard, anti-Dreyfus camp – means that the struggle with intolerance, injustice and anti-Semitism is far from over. Publications close to the NF still regularly proclaim the guilt of Dreyfus. His statue at the Place Pierre-Lafue in the sixth arrondissement in Paris, erected three years ago, is frequently daubed with anti-Semitic slogans. As re-

cently as 1994 the head of the French army history department was dismissed for allowing the military's magazine to publish an article which described the innocence of Dreyfus, unenthusiastically, as a "thesis generally held by historians".

Finally, the broader issues raised by the case – *raison d'état* versus individual justice and truth – remain live forces in politics but especially in the French political psyche. Witness the cynical bombing of the *Rainbow Warrior* or the French government's realpolitik support of the genocidal Hutu regime in Rwanda.

Dreyfus was an obscure artillery captain in French military headquarters when he was accused in 1894 of writing a memo to the German embassy, containing a sort of shopping list of French military secrets. Few facts pointed to his guilt but he was Jewish and had been born in Alsace, then part of Germany. The case was used, with great success, by nationalists, the clergy and the higher echelons of the military to whip up a xenophobic and anti-Semitic frenzy. Dreyfus was convicted, stripped publicly

of all his military insignia and placed in a kind of cage on Devil's Island, a tiny outcrop off the coast of Guyana. Evidence emerged that another officer – Ferdinand Esterhazy, a scoundrel married into the French aristocracy – had written the memo to the German ambassador. To no avail. New evidence was fabricated by the French military to confirm the guilt of Dreyfus.

It was the scandalous acquittal of Esterhazy by a court martial in 1898 which persuaded Zola that the case was not only a gross miscarriage of justice but a threat to the political and personal freedoms established by the French people since the Revolution.

His intervention began the first concerted campaign to prove the innocence of Dreyfus. A year later the captain was re-tried by court martial but again, found guilty on no evidence whatsoever. He was immediately pardoned by the President and released. It was not until 1906 – four years after Zola's death – that the supreme French civil appeal court declared Dreyfus to be innocent.

## Human rights convention embraces ban on cloning

The first binding international ban on human cloning was signed by 19 European countries yesterday as opinion round the world hardened against the idea of replicating human beings. *Jeremy Lawrence, Health Editor, reports*

The text, which is an addition to the European Convention on Human Rights and Biomedicine, slips a total ban on human cloning although it allows the cloning of cells for research purposes.

Britain did not sign the protocol because it is not yet a signatory to the convention

cloned from an adult cell, by scientists from the Roslin Institute, Edinburgh.

The cloning protocol, agreed to by European leaders at a summit last October, will also not include Germany, which claims the measure is weaker than a current German law that forbids all research on human embryos. That law is a legacy of the Nazis' attempts before and during the Second World War to conduct genetic engineering experiments on humans.

Shortly before the signing ceremony in Paris yesterday, the French President, Jacques Chirac, told a meeting of members of European national ethics committees that "It is on the international level that one must ban cloning and the genetic



The European ban is a response to the cloning of Dolly the sheep

of which it is a part, which was agreed last April during the UK election campaign. The Government is consulting on aspects of the convention before signing it, but a health department spokesman said yesterday that it welcomed the protocol and shared the view that the creation of genetically identical human beings should be banned.

"The principles are already reflected in UK law which prohibits human reproductive cloning," she said.

The 40-member Council of Europe called the protocol "Europe's response to the threat" of human cloning following the experiments that led to the creation of Dolly the sheep, the world's first mammal

manipulation susceptible to altering the character of the human species. We would resolve nothing in banning certain practices in one country if the doctors and researchers can develop them elsewhere."

In Britain, a consultation paper setting out the potential benefits of allowing research on human cloning is to be issued in the next few weeks. The Human Genetics Advisory Commission, which has drawn up the document with the Human Fertilisation and Embryology Authority, will seek the views of a wide range of scientific, religious and ethical organisations. The UK government has said it is "not opposed in principle" to allowing research aimed at tackling serious inherited diseases.

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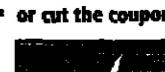
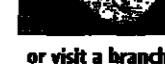
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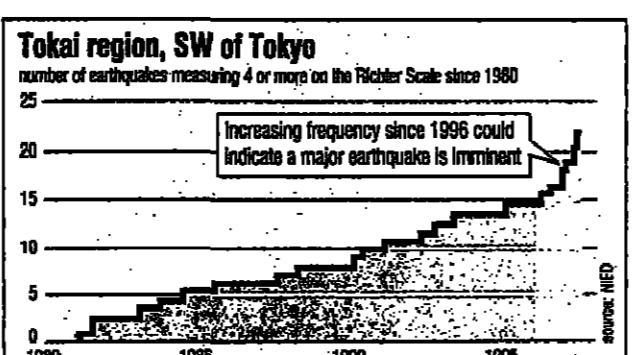
# 12/EARTHQUAKES

# Tokyo climbs the stairway to hell

**In 1995, the world was appalled by the scenes from Kobe. Last week it was the turn of Zhangjiakou in China. Yesterday, Japanese scientists predicted an even bigger disaster could be brewing close to the biggest city in the world. Richard Lloyd Parry reports from Tokyo on the latest earthquake predictions.**

Exactly three years after the devastating Kobe earthquake, which killed 6,300 people, Tokyo appears to be heading towards an even greater disaster, according to a group of Japanese scientists who presented their findings yesterday.

Their conclusions are based upon a study of thousands of



point of three tectonic plates on the so-called Ring of Fire, the Japanese islands have active volcanoes, hot springs and geysers, and thousands of earthquakes every year, most of them no more than transitory shudders. But every few decades comes a huge quake which destroys whole cities and kills large numbers of people.

In 1923, 140,000 people died in the Great Kanto Earthquake

epicentre under the sea off Tokyo and Yokohama. The Kobe disaster, also a submarine quake, measured 7.2.

The Tokai area is some 50 miles south-west of the capital, but the earthquakes which occur there have historically been even more powerful – the last Tokai earthquake occurred in December 1854, with a magnitude of 8.4. It is this fault which the scientists fear may become

in the Great Kantō Earthquake which had a magnitude of 7.9 on the Richter scale, with an

Tokyo was still a feudal city of low-rise wooden buildings; today it has absorbed satellite cities to form a megalopolis of 30 million people, with skyscrapers, overhead expressways and millions of tonnes of fuel oil and poisonous chemicals stored in tanks around Tokyo bay.

Despite thousands of measuring devices all over Japan, it is impossible for seismologists slowed during the 1990s, another precursory sign.

impossible for seismologists to predict earthquakes as meteorologists predict the weather. "But we can say that the Tokai earthquake will be much bigger, and the space affected much larger, than in Kobe," says the director-general of NIED, Dr Tsuneyo Katayama.

Historical records show that previous Tokai quakes have been preceded by unusual seismic events. One of these is an increase in the frequency of moderate earthquakes, with a Richter magnitude of 4 or greater, which cause little dam-

are required by law to be "earthquake proof", but the many older buildings have never been tested by a real disaster. Casualty numbers are impossible to predict precisely, but an American projection in 1996, based on a repeat of the 1923 Kanto tremor, painted a worst case picture of 60,000 dead and "staggering" economic losses. "It is impossible to say exactly what will happen," says Dr Okada. "but one thing is certain: sometime in the future the stairway we're climbing will come to an end."



**Road to ruin: Traffic chaos beside the remains of an elevated motorway in Kobe after the 1995 earthquake**

## **Scientists struggle with predictions**

Last July a panel of Japanese seismological experts admitted, for the first time, that they were unlikely to be able to predict when a catastrophic earthquake would happen, because predicting earthquakes was (to quote them) "difficult".

astline and a southward-moving land mass. Because the crust contains magnetized minerals, the strain that builds up before they move can show up with very sensitive instruments.

predicting earthquakes was (to quote them) "difficult". On its own, that is a statement of the blindingly obvious, but earthquakes have financial and social implications. China had earthquake detectors long before the Western world, because they could be critical in so large a country with limited grain stocks.

Predicting when an earthquake will strike is only half the problem; the other half is saying how big it will be. Seismologists willingly admit they are not terribly good at either, although there is a growing body of evidence that an earthquake is preceded by electromagnetic disturbance (which, intriguingly, animals seem to be sensitive to).

— Charles Arthur,  
Science Editor

## Sexual health in a day's time

**DR PHIL  
HAMMOND**

Never m

The all-male dance troupe 'the Trocks' may be bigger and heftier than the girls, but that makes their feet even more vulnerable to injury, reports Louise Leterrier.

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# 13/HEALTH

## Sexual harassment? It's all in a day's doctoring



DR PHIL HAMMOND

"Doctor, I haven't had an orgasm for 10 years. What are you going to do about it?"

This is the closest I've got to sexual harassment from a patient. Of course, it could have been an entirely innocent question begging my professional expertise, but the fact that it came through on an emergency phone call aroused my suspicions. Fortunately, I'd been taught exactly how to respond in such a situation: "That sounds nasty. I think you should go straight to casualty." Alas, I decided against the inappropriate use of scarce hospital resources and invited her to make an appointment. Three days later, I was treated to 20 minutes of irritable bowel and nothing else. Very stressful, but hardly harassment.

A student, I did once encounter a pair of crotchless pants, but as they were the one (and only) pair I've ever seen, I assumed the poor woman must have snagged them alighting from her bicycle. Or perhaps they'd been specially designed by a gynaecologist to keep you warm during the speculum examination. Either way, I didn't find them threatening, so I was intrigued to hear a GP describe (on Radio 1 last Thursday) how common and stressful it is for doctors to be faced with "inappropriate underwear".

The GP, alas, did not specify how a patient should judge appropriateness before panicking up to see the doctor. Will only pristine white cotton ones do? What if your entire pant collection consists of black leather thongs? Are you expected to make a special trip to M&S before you see the doctor? And what about cross-dressing? Should I be alarmed by a woman in boxer shorts? Well, only if they're mine. On the whole I prefer a cleaner pant, although gut pathology doesn't always allow for this, but the only underwear I can think of that would be unequivocally inappropriate would have "F\*ck me, you're a doctor" splashed across the front.

All this pant talk was on the back of a survey by *Doctor* magazine, which found that nearly a quarter of the 1,514 GPs who responded have been sexually harassed by patients. This makes great

copy, but it's worth remembering that each GP has around half a million consultations in a professional lifetime, so we're bound to encounter the extremes of human behaviour. Also, the survey was not a random sample - GPs who read *Doctor* were invited to fill in the questionnaire - which may bias it towards those who have had bad experiences. These consisted of (in order of frequency) "suggestive remarks, inappropriate requests for physical examination, inappropriate physical behaviour and unacceptable gifts".

At the extreme end, 7 per cent of respondents had been victims of stalking and three doctors were so distressed they had resigned from their practice. A few months ago, I met a female GP who'd given up medicine altogether after a male patient had masturbated in front of her in the "safety" of her own consulting room. She's now studying law. "At the time, I was just paralysed with fear and disgust. But I can remember thinking just how unsafe the consulting room was. The panic buttons were out of order, and the only door was behind the patient, with me trapped behind the desk. I did have a window, but this was Liverpool, so it had bars on it. So I just sat there. I did think about complaining but in the end, I thought it would be less stressful to get out altogether. It wasn't just that one incident - it was also that I was a woman. I was known in the practice for being very empathetic and a good listener - and everyone eventually just took advantage of it. I just felt abused all round."

For comparison, I spoke to a female doctor who works in genito-urinary medicine. Did she feel sexually threatened working in the male clinic? "The context of the work makes a big difference. People who come to this clinic know that they're going to have their genitals inspected so we all know what to expect. If someone suddenly gets his penis out, it isn't much of a surprise. Also, I always have a chaperone available to take with me, a luxury you don't often have in general practice." Do patients ever get aroused? "A few get erections, but usually it's out of anxiety - you know, doing something you know you shouldn't but you just can't control yourself." Like farting in church? "Exactly. But very few men sustain an erection when the swabs go in." "And do you ever feel sexually harassed?" "I get chatted up a bit - but to me that's far less offensive than the thought of men sitting at home with untreated gonorrhoea and spreading it all over the city. So you just go with the flow."

**Are new reports of increasing, untreated asthma among children a real cause for concern, or the result of widespread hypochondria?**

Jack O'Sullivan reports

In the Sixties and Seventies, when I was a child, asthma was an exotic complaint. There was just a handful of other children at school who wheezed during PE. From late autumn, we would be off school for weeks and return after an attack, looking distinctly wobbly. A place in the football team or the swimming squad was a great achievement.

In a couple of decades, all that has changed. Today, the classroom cupboard filled with blue and brown inhalers is a common site. About one in eight children in the UK has been diagnosed with asthma and last week, a study published in the *British Medical Journal* suggested that the problem might be even worse than we thought.

A survey of 12 to 14-year-olds found that one in three respondents had wheezed during the previous 12 months, although only half of those had been given the dreaded diagnosis. The researchers concluded that six or seven pupils at each large secondary school suffer moderate to severe symptoms, but are undiagnosed and untreated.

These figures suggest not just an ordinary disease, but an epidemic. They inevitably raise suggestions of hypochondria. Are over-zealous doctors exaggerating the problem, filling a generation with drugs - and the coffers of the pharmaceutical empires at the same time? Should we worry that what once might have been disregarded as a harmless cough has become the starting point of long and unnecessary treatment?

Scepticism is fuelled by the failure of science to establish why we should suddenly face such an epidemic. For a while, everyone blamed pollution. But publication of last week's study, involving 27,000 British school children, suggested that neither pollution, climate nor diet is the chief culprit - incidence is broadly spread and slightly higher in the clear pure air of the rural areas than in the cities.

So what do we really know about an illness that can be terrifying when a child suddenly gasps for breath? (Asthma actually kills 1,500 people a year in Britain, although a tiny fraction of this number is young.)

Asthma is the chronic inflammation of the airways, which leaves them hyper-sensitive. As a result, they narrow readily when exposed to a wide range of triggers, including house dust mites, animal dander, damp spores, chest infections, smoke, stress, pollen and specific foods. Asthma represents something going wrong with the immune system, which for some reason starts to react to substances which most people find benign.

Secondly, the epidemic is real. If you need proof, visit the casualty unit of any children's hospital on a winter's evening and watch the steady stream of listless toddlers, their tired faces covered with a mask as a fine spray of anti-asthma drugs is administered.

Medical opinion is virtually united in seeing the current incidence of childhood asthma as around 15 per cent in Britain, far higher than in the recent past and some other countries. And it is rising. "There are now numerous studies pointing to this sort of figure."

**An epidemic - or just a big wheeze?**



Aggressive treatment in the early stages of asthma, such as the use of a hospital nebuliser, can be highly beneficial to a child. Andrew Buurman

says Martyn Partridge, consultant chest physician at Whipps Cross hospital, London, and chief medical advisor to the National Asthma Campaign.

A sound diagnosis of asthma with well-targeted treatments can be highly beneficial to a child. Far better than doctors prevaricating, endlessly calling the problem a chest infection and wrongly prescribing antibiotics.

Nevertheless, you should not assume that a child's wheeze is necessarily asthma. It could just be a cold or bronchiolitis. Croup, which involves wheeziness, barking cough and breathlessness can mimic asthma and, although it usually clears up after a week, can recur. Asthma is notoriously hard to diagnose in children under two. Half of those under five who have wheezy illness will not have asthma when over five. So they either did not have the disease in the first place or they grew out of it. Those who develop asthma after the age of five are much less likely to grow out of it, says Dr Partridge.

Symptoms, which should, however,

make you raise the question of asthma with your GP include: repeated bouts of wheezing, a persistent dry irritating cough, sleep disrupted by coughing or wheezing, shortness of breath after exercise.

We also know who is most in danger of developing disease. An immediate family history of allergic diseases, such as eczema, hay fever and asthma, is a very high risk factor, according to the recently published *Which? Guide to Managing Asthma* (Penguin £9.99). Other risk factors are sex (boys are more vulnerable than girls); birth weight under 2.5kg; early contact with allergens (a child born between October and January is more likely to be allergic to house dust mite); passive smoking; diet (babies breast-fed for six months have much reduced incidence of asthma); teenage pregnancy (possibly due to high levels of allergen antibodies in adolescents); being first born (children with older brothers and sisters are exposed to more viral infections early in life, which are believed

to offer protection against asthma).

Given this knowledge, is it possible to prevent the disease in children? Perhaps, we can stop some cases. Research is beginning to indicate that mothers exposed to high levels of some allergens, such as house dust mite, tobacco smoke, pollen, nuts, eggs and milk, may prime the babies' immune system. So some doctors advise women with a history of allergies to avoid large amounts of nuts and other allergens, particularly in the last three months of pregnancy. But this is no insurance against asthma.

What then can be done for children who already have asthma? Many people try clearing their homes and diets of potential allergens. But these irritants are so common in the environment and in diet that this is extremely difficult. And poor diet carries its own risks. So the current focus lies in managing the problem: controlling the inflammation of the airways. The main protection is an anti-inflammatory inhaler or "preventer" (based on a steroid, which sup-

presses the immune-response). "There is increasing evidence," says Dr Martyn Partridge, "that the damage to the lungs caused by asthma may occur early on in the disease. So the indications are that aggressive treatment in the early stages of the disease will pay off." Hence the rush to diagnose the young.

Sufferers also use a "bronchodilator" (the blue puffer) which opens up the airways temporarily without reducing the underlying inflammation. Doctors are cautious about the long-term use of these inhalers because they mask the underlying disease, which can worsen without other treatment. There are also claims among a minority of chest experts that indiscriminate, long-term use of bronchodilators can actually damage the lungs and may have contributed to the high level of adult fatalities.

The big question is whether we can stop the massive increase in asthma cases. A vaccine to stop the body reacting to some allergens is a possibility. But, in the short-term, progress in curing the illness is hampered because pharmaceutical companies spend mainly on developing lucrative new drugs to manage the disease. And, although we understand many of the triggers for asthma, we still don't know what actually causes it.

"This is a disease of civilisation," says Dr Partridge. "I think we will find eventually that there are several genetic predispositions to asthma and that the likelihood of these being activated are increased by several factors - Mum smoking, the fall-off in exposure to infectious diseases, plus changes in the indoor environment." But for now, there is little a breathless child can do but keep taking that puffer and hope to grow up and out of asthma.

## Asthma - the childhood signs:

- Repeated coughing attacks: three quarters of children with recurrent or chronic coughs are eventually diagnosed as having asthma. But it could be croup, a viral infection or pertussis infection (which causes whooping cough).
- Wheezing: about a third of children have at least one wheezing episode in their first two years of life, especially between two and six months. But they may not have asthma - almost a third of them never have another attack. Asthmatic children wheeze between colds, while healthy children recover after a few days.
- Sleep broken by coughing and wheezing: 50 per cent of children with asthma suffer disturbed sleep every night.
- Breathlessness after exercise or exertion

## Does my child need an inhaler?

Yes, if the above symptoms persist. If asthma goes untreated, it can deteriorate. Children will tend to withdraw from sport and lead a sedentary lifestyle. Repeated attacks can damage childhood growth. Treatment will normally focus on an anti-inflammatory inhaler (usually steroid-based) reducing the number of attacks. Use of bronchodilator inhalers should be confined to acute episodes.

### Are inhaled steroids safe for children?

They may slightly inhibit growth in some children, but uncontrolled asthma will do so far more. At normal dose levels, studies indicate that neither growth nor resistance to infection is damaged by inhaled steroids. They should be taken regularly even when the child is well.

Source: *The Which? Guide to Managing Asthma* (Penguin, £9.99)

## Never mind the pain, get up on your toes, boys

The all-male dance troupe 'the Trocks' may be bigger and heftier than the girls, but that makes their feet even more vulnerable to injury, reports Louise Levene

Every dance company has doctors and physiotherapists at the ready, but *Les Ballets Trockadero de Monte Carlo's* orthopaedic consultant gets shared billing in the programme notes. Ballet is a beautiful but painful business. When a prima ballerina descends from her pointes to acknowledge her public's applause, her partner may envy her the spotlight but he's usually grateful to be spared the lifelong blisters and tendonitis that come with the shoes. Unless, of course, he decides to buy a pair of his own. The Trocks (as they are usefully known) are a hilarious New York dance troupe founded in 1974 whose 14 performers all dance in tutus on the tips of their toes - a source of concern (and revenue) for a certain Dr Weiss and his New York clinic specialising in dance and sports injuries.



The pointe of it all: 'the Trocks' on stage. Photo: David Tovey

really designed to support its weight on a few square centimetres of bone. Dr Weiss has seen the effect toe-dancing has on human tissues: "If you look at an X-ray of a pointe dancer's foot, their metatarsal bones are actually thicker. The Trocks are heavier than women and this can be compensated for

if they have a bigger and heavier foot than a woman but even if they're skinny - and they are skinny - they still have 10 or 20 per cent more body weight.

You might imagine small-dainty feet to be an advantage. Think again. Ideally a dancer should have what used to be called a "peasant's foot", rather than the "Grecian foot" (what Weiss calls the "too-good foot") with the long, slender shape and the longer second toe. "It may look pretty in a sandal but it isn't suitable for toe-dancing." Square feet spread the weight more evenly.

Oversize is always a danger and hard-working dancers risk tendonitis and stress fractures, but the very drudgery of the Trocks' 35-week tour schedule can protect them from more traumatic injury. Dr Weiss cites many examples of male dancers who wear pointe shoes once in a while and get hurt: "The advantage for the Trocks is that they are doing it all year round. It may put more wear and tear on the tissues, and they often end up with ugly-looking feet, but they're not usually maimed by it."

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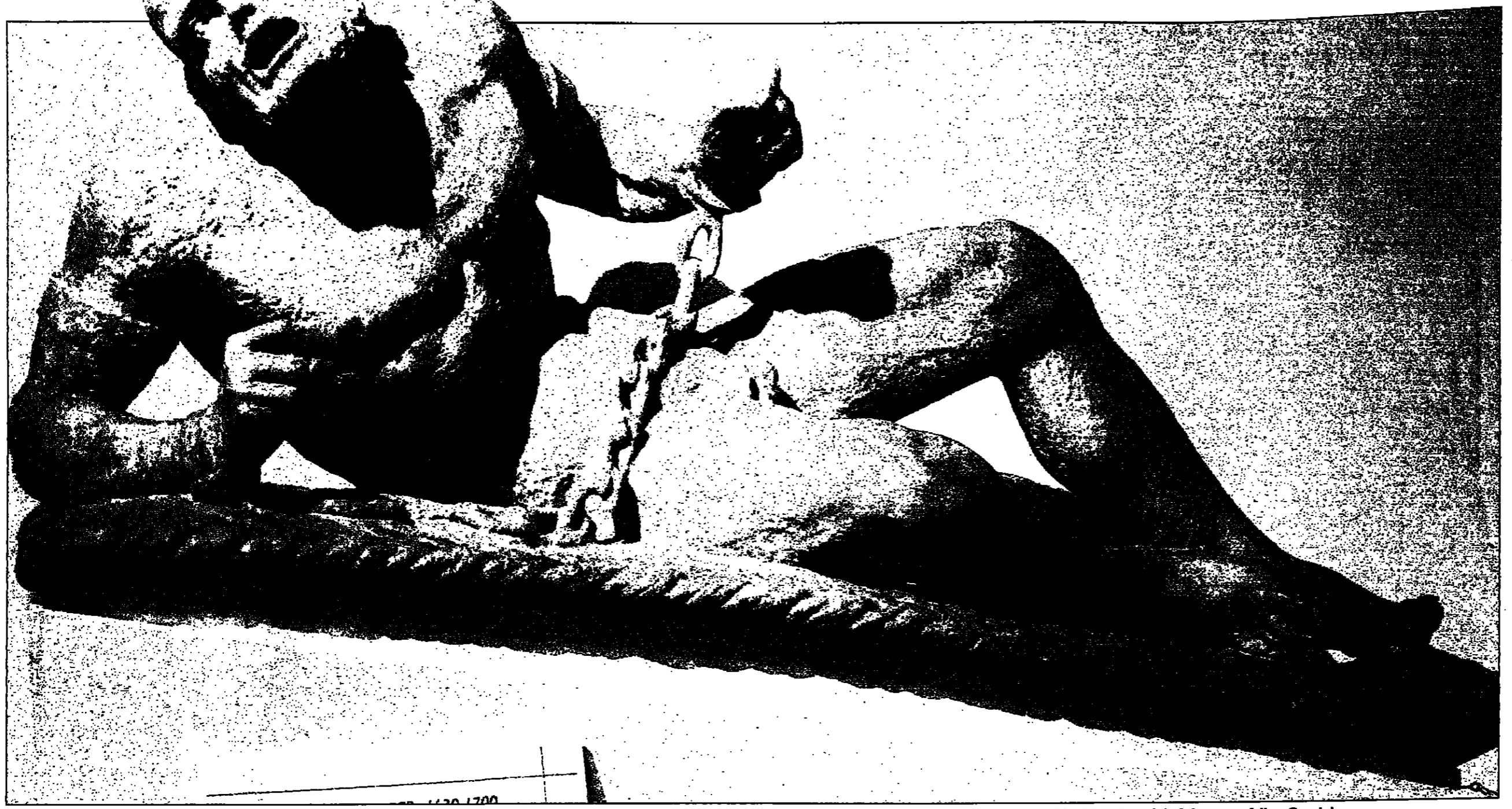
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PAPERBACK



Abandon hope, all ye who enter here? His wrists manacled, his arms bound together behind his back, 'Raving Madness', above, raises himself in his enchain'd nakedness like Michelangelo's Adam or a fallen Greek hero. 'Melancholy Madness', meanwhile, sprawls on his front, below, his hands clawing his bedding, his eyes blank, his tongue lolling idiotically out of his mouth.

Photographs: Nicola Kurz

## You don't have to be mad to work here... but it helps

The Bethlehem Royal Hospital not only gave the world a new word for lunatic asylum, it even advertised its wares with a pair of matching stone madmen outside. Not exactly PC. But then, says Tom Lubbock, earlier centuries were under fewer delusions about the human condition than we are today.

Critics are sometimes guilty of reviewing not the show they've seen, but the show they'd like to have seen. This week I'm tending that way myself and I can be very specific. The show I'd like to have seen and to be reviewing now is called "Art and Madness", a comprehensive survey of this rich and complex subject from the Renaissance to the present. But the sad thing is that this show isn't likely to happen in the near-future - for the simple reason that it just has happened. "Kunst und Wahn" opened in Vienna in September and closed in December and to judge from the catalogue it was everything that could be desired. But I missed it completely. I heard

about it a few days ago. I can only apologise.

So I and you must make do with two small exhibitions in London, marking the 750th anniversary of Bethlehem Royal Hospital, the ancient madhouse which gave the world the word "Bedlam". It first stood in the middle of the City, moved to Moorgate after the Great Fire, then to Southwark at the start of the 19th century (to what is now the home of the Imperial War Museum) and, since 1948, has been incorporated into the Maudsley Hospital in Beckenham, Kent. Both shows are drawn from the hospital's archive. At the Museum of London there's a historical display called "Bedlam: Custody, Care and Cure 1247-1997"; and at the Science Museum there's "Surprising Regions of the Mind", an exhibition of art made by the hospital's inmates, most of it just shown also in "Kunst und Wahn".

Well, both shows are interesting enough, though I think that the Museum of London one is too much of an example of the common fallacy that all knowledge can be made into an exhibition - you know the sort of thing, a few objects and many documents in glass cases, plen-

ty of captions and you end up with the *frisson* of looking at the actual manacles and an informational content that could in fact be contained in a short leaflet. The show at the Science

Museum is more worth visiting, to see some works by Richard Dadd (Bedlam's most celebrated artist-patient) and an extremely curious picture by William Kurelek (from 1953) - and, in general, for the always beguiling chance to ponder whether signs of madness can really be detected in the work of the certified and whether madness makes not-very-good art more interesting.

Or rather, the Science Museum show is very much worth a visit, not for any work by Bedlam's inmates but for the two remarkable stone sculptures that flank the exhibition's entrance. These are the figures of *Melancholy Madness* and *Raving Madness*. They were carved by the Danish-born sculptor, Caius Gabriel Cibber, in about 1676 and were originally placed on high pedestals either side of the street gates of Bedlam at its Moorgate site. Legendary in their own time, they're quite often reproduced in books about mental illness. I'd never seen them before and had long want-

ed to. They were the hospital's advertisement to the world and, though they're in a pretty crumbly state now, they teach the modern mind a surprising lesson.

Their titles are not original and not quite accurate. The figures represent the two poles of insanity as it was conceived back then - mental excess and mental deficit. *Raving Madness* lies on his back, naked, in a pose rather like Michelangelo's *Adam*. His wrists are manacled and his upper arms bound together round the back with ropes. He raises his torso, shaking his chains. His head rolls, his eyes have a wild look and he bellows in uncomprehending pain. *Melancholy Madness* is more striking still. In a loin-cloth, he half sprawls on his front, his legs twisting round each other in a spasm, his hands clawing his bedding. His shoulders are hunched around his head and his face falls vacant, the eyes blank and the tongue lolling idiotically out of the mouth.

Perhaps the figures were studied from life or perhaps they're more like theoretical models, medical specimens. But, whatever their relation to nature, these pathetic creatures make high artistic references also - to reclining classical river-gods and to Michelangelo's Medici tombs, to the ideal male nude generally. They are, for all their helpless convulsions, very powerfully muscled anatomies. Cibber's achievement

is simply that making the mad into pitiable spectacles of pathos is nowadays thought an unhelpful attitude - though it is so thought and in a way rightly; the old practice of sight-seeing in mental hospitals seems to us disgusting, even if that doesn't stop people admiring the photographs taken by Diane Arbus. No, what we find especially disturbing about Cibber's work is not the images themselves, but where they were once placed - up front and in full view.

That response isn't so new. The sculptures were not put back by the entrance when Bedlam moved to Southwark. They were kept indoors, behind curtains, only being displayed on rare occasions and even this the hospital surveyor found "in doubtful propriety". So what is the propriety that's offended here? It's a matter of something being boldly stated in public. The statues stand outside the mad-hospital and they declare, for all the world: Here is Madness. What's more, by making lasting monuments to madness, the statues affirm its presence in the world - which, for us, comes uncomfortably close to celebrating it.

This is the problem: the public recognition of affliction as a fact of life. Our attitude to public images is that they should either be celebratory, or of some good or (where the subject is negative) solemnly memorial. The idea of public sculptures that represent an evil - and represent it not as something to be mourned retrospectively or something overcome, but as a great living force - isn't on the agenda. (Imagine street statues of Cancer or Child Abuse.) But this is what Cibber's figures, in their original position, actually stressed. Their grandeur and physical power may play against their helplessness, but also work another way, allegorising the power and grandeur of human madness itself - not romanticising it (it's unquestionably shown as a wretched state) and not looking towards cure or recovery, but simply saying: acknowledge this mighty thing, it exists and it is terrible.

Today only crucifixes perform a comparable role, as emblems of pure suffering, but they aren't seen as fully public images, being linked to a non-universal religion and anyway their story doesn't stop with the pain. But with *Melancholy* and *Raving Madness* it does. They write for ever. They served their contemporaries as a reminder that affliction is a great, permanent and terrifying aspect of human existence. They serve us as a reminder of how fundamentally and insistently optimistic the tone of modern public discourse has become.

At the weekend the man who was a mastermind of the creation of the Millennium Dome suffered a high pique. Can what crisis?

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# 15/FEATURES

THE INDEPENDENT  
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## REVELATIONS

The Time: 1 May 1997  
The Place: Westminster  
The man: Michael Dobbs, novelist and former deputy chairman of the Conservative Party

I felt I was walking through a sticky marsh, without a compass or a road map. I was thoroughly depressed; for the first time in my life I found that I couldn't rise above the misery. The last Conservative Party election campaign, which I was involved in organising, was a disaster, with no clear sense of direction. Two or three years earlier I had been convinced that we were going to lose, but I could not entirely convince myself that we shouldn't. There comes a time in every government's life when it runs out of energy, and the electorate has this wonderful capacity for sniffing out those moments.

It would have been much easier for me to take a great holiday, but I decided to keep on with politics. I had been there right at the beginning, with Margaret Thatcher when she did *Francis of Assisi* outside Downing Street, and I wanted to complete the full circle and be there at the end, too. I kept on getting involved with politics because I hated being on the sidelines just cheering or jeering. I found it very difficult to let go, and anyway, if I had opted out I suspect I would have regretted it.

I had been given responsibility for negotiations around the Blair/Major television debate, which in my view was never going to take place. Despite all the press coverage, the parties never met; instead the broadcasters acted as intermediaries. It was shadow boxing. If you landed a punch, by the time it came back through all the middlemen it was scarcely recognisable. I knew the work was important; if the debate had taken place, we would have charged election campaigning for all time; but the frustration just increased my sense of helplessness.

Step became something that was almost meaningless to me. I would lie there with my mind nagging away at why things I took for granted didn't work any more – not a healthy thing to do. It certainly affected my personality. Food had always been something I enjoyed, perhaps too much, but I have no recollection of those meals. I was probably clinically depressed, and had been for the previous three or four months. I felt worthless.

On election morning, I went to Downing Street to finish clearing up. It was like a ghost city. Everybody knew a changeover was coming; you could sense it and taste it. A huge amount of shredding had been going on for days and days beforehand. I was going round, saying goodbye and learning some new things, too. I had time, finally, to look in the corners and cupboards and make a few notes.

I knew my life was about to change dramatically. I had had a similar feeling on election night 1979. I was with Margaret Thatcher at her count. We went back to her constituency office to say "thank you" and drove to Downing Street via the Mall, and I remember very vividly that as we came to the roundabout outside Buckingham Palace we were joined by police motorcycle outriders and two further security cars. It became a great convoy, and I knew my life would never be the same again.

As I looked at No 10's familiar rooms for the last time, I remembered John Major taking me round the Cabinet Room; it was fascinating to have some of its history pointed out by him. There is a patio just outside which still has the same tiles from 250 years ago; I know because there is an oil painting showing exactly those tiles in the corner of the view.

I walked out of the front door of 10



Michael Dobbs: 'In spite of all the darkness there was still a chink of light – my writing'

Photograph: John Voos

## I walked out of 10 Downing Street – but I did not look back

Downing Street but I did not look back. After almost 25 years working for the party, it was the closing of a great chapter in my life. Part of me knew that some very difficult times were ahead, but I just had to get on with it. Politics means a great deal to me, but for the first time ever it was all going wrong. What was worse, I had no experience of losing elections. I went back to my apartment in Finsbury, which I had taken for the campaign. Although it was perfectly comfortable and very practical, I had grown to loathe it. I have very strong feelings about homes and this one

felt like a prison cell. Away from my family – my kids are just eight and 10 – I was lacking the anchors in my life.

I was at Conservative Central Office when the exit polls and the computer projections were coming through. The general discussion was about their unreliability, but I thought it was all complete bollocks, and that we had been completely thrashed. I could not stand listening to everybody's justifications so I went for a long walk around Westminster. I was very, very angry; good friends would lose not just their jobs but also their complete way of life. I understood

what was about to happen. I was not going to like it, in fact it would hurt hellishly, but it was something that just had to be. All the youthful excitement of 1979 and my naivety had gone. I felt frightened but also strangely liberated. I told myself that in spite of all the darkness there was still a chink of light – my writing. I knew I could savour my pain, tuck it away and use it in a future book.

Following my walk through the dark streets of London, I returned to Central Office and discovered that the results were even worse than my nightmares. I thought

we would lose by only 100 seats. I desperately needed something to help me make it through the night and distract me from the awfulness; so I gave television interviews. Starting with BBC and ITV, I moved on to Sky and finally ended up on cable TV to the Middle East, with my explanations of how the change in government would impact on their politics being simultaneously translated into Arabic. My personal and political lives were connecting rather splendidly, and both going down the toilet.

Next morning, I woke up knowing that

## Bye-bye Bayley. Hello millennial optimism

**At the weekend the man who was to mastermind the contents of the Millennium Dome resigned in high pique. Crisis? What crisis? asks Ian Niseward.**

Six months after his appointment as the man responsible for the Millennium Experience, Stephen Bayley has resigned on a wave of bombast and rudeness. On Sunday he claimed that the dome might turn out to be a "crap". But his timely departure may just have been in time to save it from that fate. By his endorsement of some of the things he introduced, such as the giant sphere drawn to earth by a magnet, which he explained, "doesn't really mean anything, but it gives you a counter-intuitive ... thing ...", he has brought the dome into disrepute.

Bayley is dismayed by the sit of the Minister without portfolio, Peter Mandelson, to Disney World in Florida.

I never thought I would be sorry for Mandelson, but am. Why shouldn't he learn from Disney? I'm dismayed he didn't. The Millennium



Stephen Bayley: politically insensitive Photo: Keth Dobney

Experience is taking place in the world's largest dome building, the size of two Wembley Stadiums, taller than Nelson's Column, costing the nation £750m. Every exhibition organiser these days takes note of the way Disney packs in crowds on a timed schedule to give the punters their money's worth.

Disney's crowd control methods move vast numbers through thrills. What you can't have in big events are queues of people milling about, getting hot and flustered. Even at Expo 92 in Seville, the last big celebration of national showmanship, the world took notice of Disney.

Bayley may have left a bad

taste. But in his slipstream, his legacy continues. Nine design consultancy teams have been appointed to help fill the dome with their designs. After an advertisement in the *European Review* brought applications, Bayley selected a short-list and asked them to make proposals for pavilions in the dome. With their letter of appointment they were asked to submit their rates – and to say absolutely nothing about the project. It's too bad that a similar inhibition was not placed upon Mr Bayley.

With chutzpah – and wishful thinking – he told *The Sunday Telegraph* that "they won't take advice from me, Richard Rogers, or Terence Conran or any of their advisers"; but Richard Rogers, architect of the dome, was far from delighted with the appointment of Mr Bayley as creative consultant. Before his appointment, Richard Rogers planned the Millennium Experience with Imagination Gallery. Their confidential document described going to the site as "an odyssey into the future". This is what they wanted to celebrate: national creativity, the individual, the story of time and especially the future. Our ownership of the

Meridian, the moment of the new millennium. In an asterisked, handwritten addition to this list Richard Rogers added "Religion", showing himself to be at least one jump ahead of Stephen Bayley, who has let the God slot become a contentious issue.

These are the plans dismantled. A central drum, holding 10,000 people for a 30-40-minute multi-media show running all day, would go from the Big Bang through the evolution of matter to the creation of human civilisation, quickening as it raced to the present. The climax would be sudden silence. Then the drum would open, pushing the audience from the present to the future into the "doughnut" – the outer ring within the dome. Here there are 60 pavilions. In one big block of three, time divides into: who we are; and could be (mind and body); what we do and could do (culture and achievement); where we live and could live (community, environment, universe).

Some pavilions are huge and hi-tech; others are simple diversions; a trip through the human body; a typed oral history; religious art and practice through the past 2000 years.

I had to rebuild my life, which was difficult because politics is so all-consuming. Just a couple of months before the election, my wife was ordained as a Tibetan Buddhist. She suggested I should strip away the clutter and decide what was truly important to me, rather than as she did when choosing her new spiritual life. In the end, it took me about 30 seconds to switch my computer on; while everybody else was watching Blair march into Downing Street, I started working on my book again. The election had made me miss my deadline. By writing, I could escape from my depression into another world which I invented. It was the beginning of the rest of my life.

One of the reasons I chose to write *The Buddha of Brewer Street*, my latest Goodfellow MP political thriller, was because I wanted to find out more about my wife's new spirituality. I've dedicated the book to her using her new name: Naijorma-Y-Sel Nyima Chödröl Khandro. The first time I used her new name was a very important step, because it was my recognition of who she now is. I admit that for a while I struggled against it, because it was a huge change that had nothing to do with me. However, I have only slipped once and called her Amanda – most probably when I was angry with her.

I'm sorry that I haven't been able to follow her down her chosen path, or maybe it was predetermined by her previous lives. There are now all sorts of things we cannot share together. However, there were times when she was excluded from me during my politics. Men can be very arrogant in looking at their wives: "I'm the breadwinner, so what I do is justifiable." But if my wife does something that is just as important to her as my profession is to me, I shouldn't look down my nose at it just because it does not put food on the table. There should not be double standards. I'm truly delighted for her; it adds so much to her life, and therefore to the lives of everybody around her.

It took two months to recover from my depression. It is only now that I can admit to myself just how awful it was. However, breaking out of the political straitjacket has given me a freedom I haven't had in years. I've noticed the changes in quite subtle ways, and slowly I've started thinking about what life is really about, and my responsibilities in it. Electioneering in particular squeezes out the chance to step back and see more than the headlines of the day. I've started listening to other people's points of view, which sadly is something I rarely did in politics. Before, it would not have been possible, not just because of a lack of time but because of my mind-set.

At 49, if I stayed in the corporate environment, I'd be like lots of other people, with my head down waiting for early retirement. In what should be the best years of these men's lives, they are achieving less and less and their horizons begin to narrow. In contrast, my writing has encouraged me to open my mind. The election defeat, in particular, helped me to realise how politics was putting the brake on this process. As deputy chairman I had to tell people not what I thought, but what I was supposed to think. In politics, you are supposed to have answers to everything, but I've discovered that I have answers to less and less. I wish there were a way of combining a spiritual life with a political life, but I just don't think that's possible.

Today I'm much more self-aware and less driven by other people's expectations. I'm not less ambitious – writing is a job as well – but the events of 1 May have made me interested in new areas of life that before I had passed by.

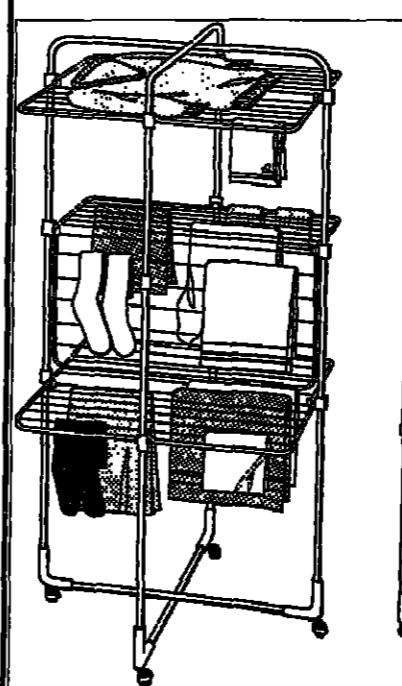
*'The Buddha of Brewer Street'* is published by HarperCollins on 19 January, price £16.99.

Interview by Andrew G Marshall

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## A contest Gordon Brown could never have won



DONALD  
MACINTYRE  
RE-WRITING  
HISTORY

In politics, the past is seldom another country. Every relationship, every alliance, every enmity, is shaped by what went before. Politicians may – sometimes – forgive; but they never forget. Each new revelation about the murky facts of the succession to Harold Macmillan in 1963 still has the power to excite Conservatives, and that was a generation ago. How much more potent therefore are the recollections of the big epoch-changing events of the recent past. So the claims advanced on Gordon Brown's behalf in Paul Roulledge's new biography of the Chancellor about Tony Blair's accession to the Labour leadership will resonate. MPs will dissect endlessly the contentions that Peter Mandelson and Alastair Campbell had shown they were ready to wage a dirty war against his candidacy, but that Brown's sacrifice in standing down was even greater than it seems because Brown could have beaten Blair had he chosen to run.

We should take no notice whatever of the ritual disclaimer by the Brown camp of the Roulledge biography. There is no reason whatever to question the dust jacket claim that it was written with the Chancellor's "full co-operation". Roulledge, author of several good biographies, including an outstanding one of Arthur Scargill, is too experienced and too skilled a reporter (being one of a select few political journalists to have among his other assets the old-fashioned one of an excellent shorthand note) for this to be other than an authentic and diligently researched account of the analysis proffered by Gordon Brown, or those who spoke for him, of what took place in the aftermath of John Smith's tragic death in May 1994. The question therefore is whether the analysis itself is correct and not whether Roulledge's impeccably sourced version of it is accurate.

Most reporters who were in the Commons lobbies that deep emotional morning of 12 May were struck by how frequently Tony Blair's name passed the lips of Labour MPs – including some on the left – as the potential leader. This newspaper, without the benefit of any Mandelson's black arts and without in any way calling the outcome, reported the following morning that Blair had already edged out in front. (The following day Mandelson did brief – that Brown's candidacy should definitely not be written off). But this was of course an utterly unscientific judgement. What were more scientific were the opinion polls published that weekend which showed that Blair was significantly ahead among the public. As Roulledge himself acknowledges, three national opinion polls published the Sunday after John Smith's death showed Blair between 11 and 15 points ahead of Gordon Brown and John Prescott. And this was not just among floating voters, important as that was. In at least

one of these, Blair, at 24 per cent, was nine points ahead among Labour supporters over his nearest rival John Prescott at 15 – with Brown just one point behind at 14. The electorate, of course, do not pick the Labour leader. But the 1990 Tory leadership contest had demonstrated the hugely influential impact of public opinion on MPs in their choice of leader. And this, don't forget, was a party acting to win after 15 years in opposition. Ten days later, moreover, a *Scotsman* poll of MPs in Scotland, where Brown could be expected to do best, showed that while 15 out of 42 MPs firmly supported him (compared with only six firm Blairites) another six styled themselves as Brown supporters who would prefer him to stand down in favour of Blair. Finally, an *Independent-BBC* poll of trade union levy payers also showed Blair well out in front.

Despite all this the Brown camp continue to insist that at the time Brown bowed out of his campaign, manager-designate Nick Brown had a list of 120 Brown MP supporters and that the Shadow Chancellor could have defeated Blair if he had chosen to. This wasn't the view taken by Chris Smith who is quoted in John Rentoul's biography of Blair as saying the overwhelming wish of the Parliamentary Labour Party was for Blair and not Brown to stand, or of David Blunkett who is quoted in Jon Sopel's rival biography as telling Blair that the leadership was his if he went decisively for it, or of Tories who expected – and feared – Blair as leader.

Anthony Seldon's biography of John Major, citing authoritative Downing Street and Conservative Central Office sources at the time, says the first reaction to John Smith's untimely death was sympathetic; second – and gruesomely – that it had "stuffed Hezzi" as a potential Tory leader, given Michael Heseltine's own previous heart attack; third, that it would "obviously" let Blair in and this would mean "far greater problems" for Major. The implication of the pro-Brown analysis is that Brown might have picked up some left-wing support for an all-out attack on "the upper-class, public school-educated Tony Blair". But then it is highly probable that if Brown had run, his old rival Cool would have done too – with unpredictable consequences on the left.

Brown has been, and continues to be, a gigantic figure in the modernisation of the Labour Party and of Britain. He is astoundingly secure as an indispensable Chancellor who punches distinctively above his weight in the Cabinet and remains the powerful joint custodian of the Government's credibility in the markets. For several years, moreover, his intellectual fertility and deep Labour roots made him the senior partner in the relationship with Blair.

Had the modernisers put up a candidate after Neil Kinnock stood down in 1992 it is highly probable that it would have been Brown rather than Blair. But politics are endlessly fluid. For many reasons – some of them utterly beyond his control, such as the fact that as Shadow Chancellor he was forced to take unpopular decisions to extract Labour from its addiction to tax and spending, while Blair was able to shine as Shadow Home Secretary – the climate had changed by 1994. Charles Clarke, the MP who was once Neil Kinnock's adviser, may have been harsh when he said that perhaps it would have been better if Brown had run for the leadership and had been beaten. But to perpetuate the myth that he could have defeated Blair does Brown himself little service. It may even damage his hopes of eventually succeeding as Prime Minister. Blair was always easily the frontrunner, and not even the supernatural qualities routinely ascribed to Peter Mandelson could ever have changed that.

## The package holiday: good for you, and great for the world



Bargain price for a place in the sun: Britons on holiday in Benidorm compare the costs of their two-week holidays



SIMON  
CALDER  
HOW BEST  
TO TRAVEL

"Travelling is bad, tourism is disastrous" – so asserted John Rentoul in this space yesterday. But going on holiday can do the world some good, as well as doing you a power of good, too. The real surprise is why so few of us take advantage of the world's best travel bargains: only 14.5 million of us – one in four of the UK population – will this year take a package holiday. For my money (and you don't need much of it) a place in the sun is a product that Britain makes better than any other country.

Consider: anyone earning the average UK wage can buy a seven-day Mediterranean holiday for a week's pay: £350 will buy you an excellent package in Benidorm. You will fly from a convenient airport on a state-of-the-art charter aircraft, enjoying food and entertainment of higher quality than you would find on most scheduled airlines (or, for that matter, John Rentoul's train to Bournemouth).

Upon arriving at the bright, stony airport at Alicante, you could set out to explore the in-

terior with tens of thousands of tourists aboard, having the times of their lives to the detriment of none. Pile the apartment blocks high, sell the holidays cheap, and Europe's weary workingfolk will beat a hasty retreat to your prox.

And who has the right to deprive us?

The environmental lobby, you could respond. "We pack into large metal boxes which burn unimaginable quantities of fossil fuels to transport us thousands of miles," writes John Rentoul. Yes, we do, because a combination of well-run tour operators (those mass-market companies that have survived have had to be good and cheap) and government subsidy makes it worth our while.

Padding softly along the broad acres of fine sand lapped by a brochure-blue sea, you may recall that the town was allegedly an unspoilt fishing village until the advent of mass tourism three decades ago. Were it ever such, you could expect to find the tangled streets of the old town filled with dispossessed fisherfolk bemoaning the way that mass tourism has massacred their heritage.

You will search in vain, partly because so many Spanish people have done so well from tourism (the industry that fuelled the magnificent post-Franco national resurgence) but mostly because the location appears singularly ill-suited as a base for fishing. (A serious harbour can be found just along the coast at Villajoyosa, and jolly unspoilt it is too.)

Natural resources in Benidorm, as in many other resorts, are so scant that the only industry that could sustain itself there is tourism. The same goes for our other favourites: were it not for people like me, Tenerife would be just a barren volcanic outcrop. Instead, it is a barren volcanic

island with no ethical way to justify shutting thousands of gallons of spirits and millions of cigarettes across Europe because of some arcane, pre-jet age taxation anomaly.

And don't stop there, urges John Rentoul: "One measure the Conservative government should have been congratulated on, rather than pilloried for, was imposing an airport tax. The only trouble was that it was not enough." We travellers are not unreasonable. It is hard to argue that air travel should be immune from taxation: what Ken Clarke was, rightly, pilloried for was creating a poll tax with wings. Air Passenger Duty hits you for the same £20 whether you are flying economy to Zurich (£99 return before the tax kicks in) or travelling on the world's most environmentally indefensible form of transport, the £7,000 round-trip to New York on Concorde.

Lebanon is not usually noted for its enlightened fiscal policy, but the way first- and business-class passengers pay more tax at Beirut airport appeals to us package pros, prone on the beach at Benidorm.

I use the word "product" advisedly. After 30 years of half-baked, half-built mistakes that you expect from any growing concern, mass travel is now maturing into an industry fit for the new millennium. Seize the day, grab your passport, and join me on the beach.

## We have nothing to fear but panic itself



DIANE  
COYLE  
ASIA'S FAILING  
ECONOMIES

Financiers are not immune to mass hysteria – in fact, they are unusually prone to it – and psychological channels are huge in the spread of financial panics. Bankers and investors are not so much speculative wolves acting on their finely-honed calculations as greedy sheep panicking about being left behind by the rest of the flock.

Still, there comes a point when a panic in the financial markets becomes too serious to dismiss as being all in the mind, and the sudden collapse in the Hong Kong stock market fol-

lows the collapse of one of its banks suggests that upheaval in Asia has got to that point. There is no doubt that it is going to cause a lot of real pain in the former Tiger economies.

The question now is whether this will become a global crisis as well as an Asian crisis? And if so, what shape is it going to take? The answer is that the crisis probably is going global, but in unexpected ways.

There is no shortage of Chicken Licken running around at the moment, in the City and the press, reaching for words such as "crash", "slump" and "meltdown". These are the people who prove that it doesn't take brains to jump up and down, just legs.

It is essential to remember that it is possible to tell Asians apart. Two countries – Japan and China, including Hong Kong – make up a fifth of the world economy and matter crucially to all the rest of us. Japan is in the throes of a truly awful banking crisis with many of its financial institutions bankrupt. This has been true all through the 1990s, and the Japanese government is only just biting the bullet of using taxpayers' money to weed out the duff banks and bad loans.

Luckily, Japan can afford

this. It is a very rich country with a strong industrial base. Its corporations are profitable, its people wealthy and its crisis containable. It can probably ride out the collapse of confidence.

Hong Kong by itself is in a similar position. Its economy is fundamentally sound, although it is a far smaller place looking very exposed to the chill winds sweeping the region. China is another matter. Although information is scant, its banking system looks pretty shaky and it does not have the cushion of prosperity that might tide it through a crisis. A question mark hangs over its ability to stay insulated from the turmoil.

The other afflicted Asian countries, especially South Korea, are already in an utter mess. Much to everybody's surprise, after a decade's worth of hype about this dynamic region, it turns out that its companies have scarcely ever made a profit and its people's increased prosperity has been bought on tick. The bill is now overdue and there seems no end in sight to the downward spiral of confidence in their financial markets.

Luckily for us, although Korea is – or was – a big economy, it's nowhere near as big as Japan. Its GDP last year was

equivalent to about five times Shell's sales, for example. So any spillover is unlikely to come mainly through real economic channels.

We have had an exaggerated view about the importance of Asian economies to the rest of us. True, Japan has been a big investor in the UK, but last year it was only ninth in importance, behind several smaller countries, including Norway and Australia. British exports to Korea have grown rapidly, but in 1996 it still accounted for less than 1 per cent of the total. Particular companies will suffer because of the impending Asian recession. But more important will be the potential financial panic effects.

These need to be kept in perspective. For more than a year many experts have thought that shares on Wall Street have soared beyond any reasonable value and could fall severely before they started having real repercussions. In the judgement of Stephen Lewis, one of the City's most experienced analysts: "The first 2,000 points of any decline in the Dow Jones index would be not much more than truth."

However, he and other pessimists now reckon the current crisis has the potential to be

come, for the advanced economies, worse than the Latin American debt crisis of the early 1980s and worse than the mid-1970s oil crisis, the two most serious in recent memory.

The reason is globalisation. The greater interconnectedness of the world's financial system alongside the reduced influence of governments on financial markets.

In the 1980s the Latin American governments owed money to US banks. The American government was able to broker an orderly resolution to the crisis by leaning on a handful of big banks. In the 1990s, private sector Asian companies owe money to a host of banks and investors in many countries, including each other. One default on a loan can have bigger and bigger knock-on effects as it gets amplified through the world financial system.

The Americans are trying to take on the leadership role in resolving the present crisis, especially in Korea, given its strategic importance. But the US seems very unlikely to persuade large numbers of foreign investors to put any money into economies that have turned out to be built on the sands of corrupt politics and whose officials are showing

scant sign of humility in the face of the mess they have made.

Besides, the US makes an implausible rescuer for Asia. For America is the world's biggest debtor nation, kept afloat in recent years by Japanese investment in its government bonds and its industry. Beyond the immediate concern about how long this financial crisis is dragging on, its biggest impact on the rest of the world could well prove to be the withdrawal of Asian funds from countries such as the US that like to spend rather than save. If foreigners are going to stop investing in Asia because of a catastrophic loss of confidence, Asian money will eventually return home to resolve the economic crisis.

That means the world's low savers, the ageing advanced economies, might be faced with a longer-term slowdown in growth because Asia's dynamism has fizzled out. Worth worrying about? Yes – but not worth panicking about; economies have a habit of adjusting to this kind of slow, technical trend.

Meanwhile, the biggest danger is that posed by investors' own wife psychology, feeding the stock market frenzy for no good reason at all.

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# 18/OBITUARIES

## Klaus Tennstedt

**Klaus Tennstedt, conductor:**  
born Merseburg, Germany 6  
June 1926; Guest Conductor,  
London Philharmonic  
Orchestra 1977-80, Principal  
Guest Conductor 1980-83,  
Principal Conductor 1983-87,  
Conductor Laureate 1987-94;  
married 1960 Ingeborg  
Fischer; died Kiel, Germany  
11 January 1998.

Success came so late to Klaus Tennstedt it almost destroyed him. He was 48 when a stand-in concert in Boston drew sensational reviews, dates with the finest orchestras and more money and admirers than he could count. After a lifetime in provincial theatre pits, the limelight was all too dazzling.

Whirling around the hemisphere of world-class orchestras, he was ravaged by self-doubt: who am I to direct musicians accustomed only to the greatest? At his first rehearsal in Philadelphia he related, tears coursing down his cheeks, how in the Hitler era he had crawled with his gramophone beneath an eiderdown to listen reverently to their forbidden recordings with Stokowski.

He would come home to his high-rise apartment overlooking the Bay of Kiel, torn between the demands of ambition and the comforts of obscurity. He called it his *Zäsur*, the moment when his life split in half. In the midst of this crisis, he discovered Gustav Mahler, the most introspective of composers. "I knew that not every man could conduct Mahler," he said, "but I, too, had led a complicated life."

Tennstedt set about Mahler with a unique and dangerous intensity. Heeding neither caution nor fashion, he embodied the composer's expressed preference for exaggeration. Every rehearsal became a life-and-death struggle; each concert required a health warning, the musicians fearing for his safety and their own.

His Mahler recordings, though subdued in comparison to his live performances, contain the most terrifying of Sixth - a symphony in which Tennstedt

beard pre-echoes of Nazi horrors - and the most lyrical of Seventh. His account of the Eighth Symphony is unaffectedly majestic, the first credible record of that gigantic unresolved question.

Klaus Tennstedt was born in 1926 in Merseburg, a small town in Saxony equidistant from the musical incubators of Leipzig and Halle. His father, Hermann, was leader of the second violins in the Halle opera orchestra, a gregarious musician who played cards with Richard Strauss when he came to conduct his operas.

Tennstedt survived the Nazi era without serious moral or physical injury, joining a baroque orchestra to avoid political music and combat duties. He emerged, nevertheless, with a sense of guilt at having "closed our eyes to what was going on" and was poignantly pleased when invited to conduct the Israel Philharmonic, the first German of his generation to escape its boycott.

A prodigiously talented violinist, he was made leader of the opera orchestra in his teens and was making his name as a soloist when a pebble-like growth between the fourth and fifth knuckles of his left hand wrecked his budding career at the age of 19. After months of depression, he returned to the opera house as *répétiteur*, accompanying singers at rehearsals. He was always a capable pianist and played Chopin and Beethoven for pleasure and instruction, though only in the strictest of privacy.

He had watched conductors with professional curiosity, admiring the famously vague beat of Wilhelm Furtwängler, deplored the indecent flicks of Richard Strauss. But he had neither handled a baton nor stood before an orchestra when, at an hour's notice, he took over a performance of Wagner-Regens' *Der Götterdämmerung*. His father, who had not known of the substitution, could hardly draw a bow that night for trembling.

Proven competence led to a career in opera at Karl-Marx-Stadt, the Dresden Landesoper and Schwerin. Refusal to join the

Communist Party and a taste for officially disapproved composers confined him to second-string houses and orchestras. In his mid-thirties he moved to Berlin, determined to defect. His chance came in March 1971 when he was allowed out to conduct in Gothenburg.

Back in Berlin on the opposite side of the Wall, he soon learned that success was no more readily attainable there. He settled for the music directorship of the opera at Kiel, on the Baltic coast, miles from any musical centre. Three years later, he was heard by the talent-spotters manager of the Toronto Symphony Orchestra and introduced to North America.

Everywhere in the West except Germany, he acquired a reputation as one of the most exciting yet profound exponents of Romantic and Late Romantic music. His Beethoven in the Royal Festival Hall had an impact unequalled since Clemens' "Seeing him walk on stage," said a member of his orchestra, "you were never sure he would not trip over his feet or poke himself in the eye with the baton." Tennstedt, too, was never sure. His was a transparent honesty that allowed all around him to witness the many fragile layers of uncertainty.

In his 60th year, cancer struck. He was possessed by the notion that, like Mahler, he would die unfulfilled. The greater his success, the more insecure he became and the more dependent on his patient wife, Inge, an alto he captured in 1954. *Falstaff*, would travel with him as perpetual reassurance. Childless and self-absorbed, prone to outbursts of petulance, his moods were unpleasant though short-lived.

He was not a star in the Bernstein or Karajan sense; he could not be expected to develop the socio-political skills essential to the cultivation of mass celebrity. Dressed like a provincial musician, he never learned to covet possessions. His pastimes included sailing, cycling, hot-air ballooning and chess, but in truth he had no real interest outside music and was never happier than when studying scores.



Tennstedt: an instinctive musicianship that, once heard, could never be denied

Photograph: Geraint Lewis

His association with the London Philharmonic was characterised by both sides as a love affair. He restored such confidence to the orchestra it began to believe itself the best in town and, when Tennstedt conducted, usually was. Every concert he gave was an event: audience, musicians and conductor alike would emerge shaken.

Lack of appreciation in his native land pained him. It does not alter the fact that he is the only major conductor to emerge in Germany since the Second World War, probably the last link in a tradition stretching back to Nikisch and Weingartner. Unlike earlier titans, he possessed no discernible charisma, nor was he an intellectual (though he was tolerably well-read), or a visionary. Spiritually he was confused, socially a disaster. What

set Klaus Tennstedt apart as a conductor was his constant self-sacrifice to the music and an instinctive musicianship that, once heard, could never be denied.

- Norman Lebrecht

I was the only journalist present on a memorable but poignant evening in June 1994 when Klaus Tennstedt conducted for the last time, writes David Lister. and then gave me what was his last interview in Britain. He was honouring an invitation to conduct a rehearsal by a nervous but thrilled Oxford University orchestra before receiving an honorary doctorate a few days later. Fewer than a dozen of us watched him.

Tennstedt was already ill and it was the first time he had conducted for over a year, during which he had undergone hip

surgery. He handed his walking sticks to his wife, Inge, sat on the stool placed on the podium for him and addressed the orchestra: "My hip is bad, my eyes are bad, my voice is bad, my English is bad. But we make music."

During the next two hours he transformed the sound of the university orchestra.

"I am nervous," he told me before entering the Sheldonian, glancing down at his hip, "I am afraid now. Every time I go up there, I don't know what will happen."

Yet though Tennstedt's features were constantly contorted in pain, as the students played the opening bars of Weber's *Oberon* overture he amazed his wife and his aides by leaping up from the stool and darting about, fixing individual members of the orchestra with a reprimand look or a nod of encouragement or a twinkle of the eye as his body seemed to dance with the music, swaying to the slower romantic parts, darting with his outstretched arms in the allegro, his back arched in the old familiar position.

The whole overture is in a big forest and the moon is out and there are nymphs and there are glow-worms." And he whistled the length and the note he wanted to convey "an army of glow-worms".

The students, many in T-shirts and jeans and at the end of a day in which some had been taking final exams, began to perspire.

They had, they admitted afterwards, never been worked so hard, nor, I suspect, been spoken to so directly.

"That noise," he said, beginning to revel in the job and glaring half-jokingly at the violins as he scratched behind his ear as if it were invaded by an alien body, "that noise is a *Kartoffelsalat* [potato salad]."

And then the conductor famed for his romantic music

performances gave an insight into that romanticism, as he chided the students into producing a mellower sound.

The whole overture is in a big forest and the moon is out and there are nymphs and there are glow-worms." And he whistled the length and the note he wanted to convey "an army of glow-worms".

The girls in the string section began to mop their brows as he drove them on into the overture's faster, more emotional swirl. He spat at his own hands in some signal to them to improve their fingerwork. "Remember the fingerboards. Vibrato. Romantic vibrato."

Tennstedt said to me afterwards: "Will I conduct again? How can I say? Don't know. My doctors don't know. Nobody knows."

was not one of these. Like most of his colleagues, he did a solid job as a backbench Member, serving both his party and his constituents diligently and well.

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# 19/BUSINESS

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FINANCIAL JOURNAL OF THE YEAR

THE INDEPENDENT  
TUESDAY 13 JANUARY 1998  
19

## Pressure mounts in US against IMF bail-outs in Asia

**Political opposition is mounting in the United States to the multi-billion rescue packages for the troubled Asian economies being co-ordinated by the International Monetary Fund. Mary Dejevsky in Washington asks if the US-backed bail-outs could be derailed, as high-level delegations continue to tour the Far East, touting offers of financial support and recipes for financial stability.**

**Opposition to US support for the IMF rescues comes from both ends of the political spectrum. From the right comes the view that "you can't buck the market". Accordingly, the market should be allowed to determine what happens to the Asian economies, not the IMF or the US administration. From the right, too, comes long-standing distrust of international institutions, particularly ones that cost the United States money that seems out of proportion to the benefits.**

**From the left comes the view that the much-proposed budget surplus - which the Central Budget Office forecasts for 1999 at the earliest - should not be squandered in advance on rescuing feckless foreigners. Why should the US bailout the mainly private bankers and investors whose irresponsibility arguably precipitated the present crisis, and why should the US be pouring money into countries that are economic competitors? If money is available, it should be used for social programmes at home.**

**Support for anti-IMF views comes also from some economists, in the US and in Asia, who argue that the rigour and discipline urged by the IMF are not suitable medicine for Asia. Jeffrey Sachs, director of the Harvard Institute of International Development, is one of the most vocal critics, arguing that the IMF solutions have only aggravated Asia's financial crisis. Other analysts ask where economic prescriptions end and politics begins.**

"Should the IMF carry out structural reform?" asked Michael Zelenziger, a

Tokyo-based US analyst. "Should it be telling President Suharto to go? Should it be telling government cronies in Indonesia or South Korea to get out of the trough? I'm not sure that it should."

Yesterday, Michel Camdessus, the managing director of the Washington-based IMF, and a senior IMF delegation were in South Korea and are expected in Indonesia shortly. The US Treasury's chief trouble-shooter, Deputy Secretary Lawrence Summers, was in Singapore with a delegation of his own, headed also for Indonesia, Thailand and South Korea. And the US Defence Secretary, William Cohen, who had co-opted a Treasury adviser specialising in Asian economies and another from the State Department to travel with him, was in Malaysia, with a 12-day itinerary ahead of him that includes the same countries, plus Japan and China.

The aim of the IMF delegation is to examine what progress has been made in the economic reforms it has recommended. The purpose of the US delegations - distilled from advisers' statements - is to convince the Asian countries that the US is a friend and support in good times and bad, to persuade them to implement "sound policies that can promote confidence and stability", but most of all to "shore up confidence" in the region and prevent any further dramatic slides. Mr Cohen has the additional brief to judge what can be salvaged from the millions of dollars' worth of defence orders that could be lost to US industry.

US concerns are twofold: the first - and the one that most concerns Mr Clinton both immediately and in the long term - is the possible effect on the US economy if the Asian economies, particularly those of Indonesia and South Korea, do not respond to the treatment prescribed by the IMF. The second, which is likely to make itself felt later this month, is the force of opinion - in the public at large and in Congress - which is uniting against US involvement in the Asian rescues. In comparison with the panic that gripped Indonesia last week, this potential domestic revolt in the US appears minor, but it threatens to grow.



Small investors monitoring the Hong Kong Stock Exchange morning trading yesterday. Hong Kong's blue-chip Hang Seng index was savaged at the opening, with a sell-off slicing more

than 10 per cent off share prices. Shares were driven down by a prime rate hike, collapse of the Peregrine Investments group and the widespread market crisis. Photograph: Reuter

## Peregrine collapses in East Asian turmoil

**The collapse of the Peregrine Group, Hong Kong's largest home-grown financial conglomerate, was confirmed yesterday. Stephen Vines reports from the former British colony on the rise and fall of a high-flyer.**

When the Peregrine Group was founded, just under 10 years ago, it was widely seen as being the brightest and best connected kid on the financial services block. In just a couple of years the group looked set to fulfil this early promise.

Picking up the pieces after the world-wide stock market collapse of 1987, Peregrine was a driving force in attracting international attention to the promise of Far East markets. It played a big role in the development of China's capital markets and helped generate the excitement which sent share prices surging in other Asian emerging markets.

Bucked by some of Hong Kong's most prominent tycoons, notably Li Ka-shing and Larry Yung, the most powerful Chinese mainland businessman based in Hong Kong, Peregrine scooped up the cream of the initial public offering business and gathered a string of blue-chip clients. Before it collapsed yesterday, Peregrine had become the biggest

home-grown Asian financial conglomerate outside Japan. It was founded by Philip Tose, the son of a former managing partner in the blue-blood stockbroker's Vickers da Costa, and Francis Leung, who is well connected with the mainland Chinese-associated companies which became the darlings of the Hong Kong stock market in mid-1990s.

Typically Peregrine established itself in Asian countries by forming good relations with the leaders of these nations. Many of them liked the outspoken views of Mr Tose who declared himself to be a advocate of autocracy. He spoke the language of authoritarian governments liked to hear. None more so than the rulers of Indonesia where Peregrine ultimately met its fate by advancing a short term loan to a transportation company called Steady Safe, which has connections with Indonesia's ruling Suharto family. The \$260m unsecured loan to Steady Safe was equivalent to more than a quarter of Peregrine's shareholder's equity.

It is still not clear why Peregrine made such an extraordinary commitment. The loan was brokered in the fixed income department headed by Andre Lee, the Korean whiz kid, recruited from Lehman Brothers. Andre Lee was regarded as a star whose judgement was vindicated by the small fortune he earned for Peregrine. As a god of the bond market he was left to his own devices. Outlook, page 19

## UK fund managers steer clear

More evidence emerged yesterday that the continuing Far Eastern turmoil has started to filter through to the UK economy. UK fund managers are shying away from the troubled region, according to the latest Merrill Lynch Gallup survey, and the crisis has also begun to impact upon the London housing market.

UK fund managers have become bearish on Hong Kong and Singapore for the first time since the crisis began, according to Gallup and Merrill Lynch.

Bijal Shah, global strategist at Merrill Lynch, attributed the "sell" stance in countries in both Singapore and Hong Kong to two factors.

First, companies in both Singapore and Hong Kong are exposed to smaller countries, such as South Korea, with serious economic problems. Second, both Singapore and Hong Kong have taken an aggressive interest rate stance in an attempt to defend their currencies.

"It seems as if the contagion is spreading outwards", commented Mr Shah.

According to the survey, bearish UK fund managers outnumbered bullish ones by 11 per cent in Hong Kong and 18 per cent in Singapore.

There was also evidence that financial turmoil in the Far East had tempered the London housing market boom, according to Savills, the upmarket estate agent.

The value of Central London properties rose by more than a fifth last year, as buyers rushed to snap up new homes, bringing back memories of the 1980s housing boom. But Savills believes Central London prices will rise by just 4 per cent this year.

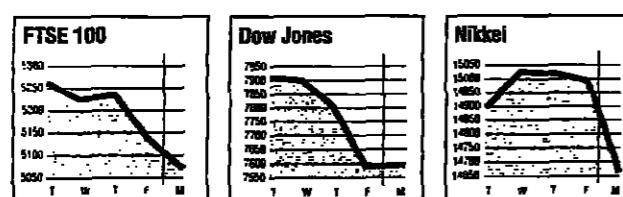
But, in the longer term, Savills predicts the commercial property market will shrug off the conspicuous lack of Far Eastern buyers and should continue to grow strongly in 1998.

Aubrey Adams, managing director of Savills, said yesterday: "London surged ahead much faster than expected this year and the Far East will slow growth but the market should still continue to grow. For commercial property the Far East is not a factor with the bulk of activity coming from UK funds. There should be strong growth in the commercial sector for the next eighteen months at least."

Savills profits rose by more than a third to £4.1m for the six months to October however its shares slipped 4p to 124p.

- Leo Paterson and Andrew Yates

### STOCK MARKETS



Dow Jones index and graph at 5pm

Indices	Close	Change	Change(%)	52 wk high	52 wk low	Yield(%)
FTSE 100	5088.80	-69.50	-1.35	5367.30	4056.60	3.34
FTSE 250	4799.60	-55.00	-1.34	4981.80	4384.20	3.25
FTSE 350	2444.70	-33.50	-1.35	2570.50	2021.30	3.32
FTSE All Share	2360.32	-31.83	-1.32	2507.68	2018.14	3.30
FTSE SmallCap	2329.32	-18.00	-0.81	2407.40	2121.10	3.30
FTSE MidCap	1265.50	-7.50	-0.56	1345.50	1225.20	3.30
FTSE AIM	7691.60	-7.00	-0.79	1136.00	985.90	1.09
Dow Jones	7698.39	5.48	0.06	8299.03	6354.78	1.81
Nikkei	14694.44	-330.66	-2.21	20310.79	14488.21	1.04
Hang Seng	8712.06	-773.58	-8.70	16820.31	8721.09	5.22
Dax	4067.20	-149.56	-3.53	4455.69	2947.31	1.77

## Contagion spreads to take further toll in Hong Kong

**The turmoil in the Asian financial markets spread to Hong Kong yesterday as nervous investors drove share prices down to their lowest point in almost three years in the wake of official confirmation of the collapse of Peregrine Group, Hong Kong's largest home-grown financial conglomerate. Stephen Vines, in Hong Kong, and Diane Coyle, in London, report.**

Interbank rates touched 20 per cent during the day, confirming the worst fears of yet another rise in prime rates which in turn threaten to further weaken the property sector which dominates the Hong Kong stock exchange.

By the end of the morning's trading the blue chip Hang Seng Index slumped to 7,909 points, a loss of 222 points, before it closed almost 9 per cent down at 8,121. The leaves the stock market at half the level it reached during the optimistic days of last summer.

"It's like sitting on the Titanic", said one harassed broker rushing out of Exchange Square which houses the stock exchange. Inside, the market makers

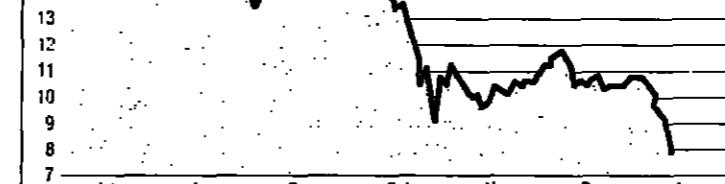
were pondering how much damage would be inflicted on the property market as interest rates moved relentlessly upwards.

After last Friday's interest rate rise, the mortgage rate hit a six year high. "What the market is now coming to grips with is the question of affordability", said James Osborn, the director of sales at ING Barings Securities in Hong Kong. He believes that with interest rates at current levels existing borrowers will have difficulty maintaining repayments while potential home purchasers will shy away.

Hong Kong's interest rates are high because the government protects the local currency through a currency board which defends the Hong Kong dollar's fixed link to the US dollar by squeezing liquidity out of the market at times when the local currency comes under pressure. The main weapon in its armoury is interest rates. Pushing rates up as high as 300 per cent, at one point during the crisis, both makes the Hong Kong dollar attractive as an investment and makes it hard for speculators to acquire because the cost of short-term borrowing is prohibitive.

However, as Sir Donald Tsang, Hong Kong's financial secretary, freely admitted over the weekend, preserving the US dollar link causes a great deal of pain in the form of high interest rates. "We all reckon it's the price we need", he said. It therefore seems unlikely that any

### Hang Seng - price index



thing will shake the fixed link, at least for the time being.

Confirmation of Peregrine's pending liquidation came after the stock market closed yesterday. It followed the collapse of last ditch talks with an unnamed white knight. At the end of last week the Swiss based Zurich Group walked away from a deal to take a 24 per cent stake in Peregrine which is believed to have incurred losses of as much as \$600 million, equivalent to almost two thirds of its shareholder's funds.

Tom Grimmer, Peregrine's spokesman, said that "various parties are interested in a number of divisions" of the failed company. Investors in Peregrine funds managed to get their money back yesterday.

The biggest stock market impact of

the Peregrine collapse was felt by China's associated companies. Francis Leung, one of Peregrine's founders, had been known as the Godfather of so-called Red Chip listings, having handled most of the bigger issues. Red Chip investors took flight, sending the index which tracks these listings, down by over 21 per cent.

All support levels for the Hong Kong stock market have crumbled. "I think we're in no man's land," Mr Osborn said.

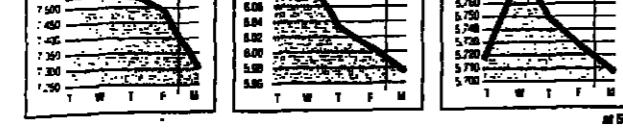
In London and other European stock markets share prices moved in reaction to the overnight Asian movements and in anticipation of another sharp decline on Wall Street. The nervous tone was set as much by Friday's share price fall in the US, when the Dow Jones index lost 222 points, as by the overnight slump in Hong Kong and Singapore.

In early trade the US market, too, fell sharply. But it recovered in time to repair some of the earlier damage in London.

The FTSE-100 index ended nearly 50 points lower at 5,068.8, having recovered from a drop of 150 points to well below the 5,000 level at one point. The index closed yesterday just 40 points lower than a month ago.

The Dow fell fast on opening and was as much as 133 points lower at one stage. By late morning it had climbed back to 7,583.66, a gain of 3 points.

### INTEREST RATES

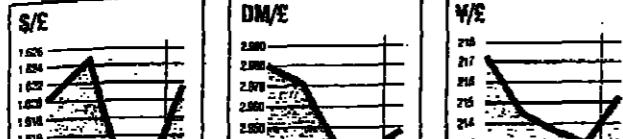


Money Market Rates	3 month	1 year	1 yr clsc	10 year	1 yr clsc	Long bond	1 yr clsc
UK	7.50	1.03	1.85	5.58	5.97	5.94	-1.09
US	5.58	0.24	0.59	0.38	5.36	-1.25	5.70
Japan	0.73	0.24	0.70	0.14	1.85	-2.47	-0.81
Germany	3.57	0.43	3.82	0.59	5.05	-0.86	5.63

### MAIN PRICE CHANGES

Rises	Price (p)	Chg (p)	% Chg	Falls	Price (p)	Chg (p)	% Chg
Tate and Lyle	535.00	18.50	3.58	Net Grid	271.00	-44.00	-13.97
Wyndham Armer	2025.00	65.00	3.32	Imchips	137.50	-15.50	-10.13
Skypharma	57.00	1.50	2.70	Govt Oriental	81.5	5	5.78
WH Smith	432.50	9.50	2.25	Danske Bus Syst	245	-14	-5.41

### CURRENCIES







## Lessons from Asia in money and miracles

Just when you thought it was safe to wander out in financial markets once more, the Asian crisis hits again – this time in Hong Kong, or Hong Kong as our pages rather unfortunately managed to refer to the former colony yesterday. This might seem odd because of all the little economies around the Pacific Rim, Hong Kong's remains one of the more credible. At this stage it still seems unlikely that Hong Kong will be forced into a position where it has to surrender its dollar peg – the key to its economic success and present safe haven status in the region.

The currency board system introduced to Hong Kong in the early 1980s has survived worse crises than the collapse of Peregrine, so why should it crumble now? The obvious riposte is because Hong Kong cannot afford to maintain the peg when all around are devaluing with such abandon. But neither could this special administrative region withstand the collapse in international confidence and property values that would flow from devaluation. Hong Kong is damned if it does, damned if it doesn't, damned to recession if it clings to the peg, and to economic oblivion if it dismantles it. Of the two, the former would seem the lesser evil.

Even so, the damage involved in maintaining the peg under present circumstances is obviously bad enough. Part of it is a plummeting stock market, for if the currency cannot respond to the pressures around it, something else has to give.

The biggest danger would appear to be that of recessionary conditions sweeping

from Hong Kong into China. That would make present guesses about the damage crisis in the Far East is doing to the world economy look worryingly optimistic. Add to this growing signs in the US of political opposition to the International Monetary Fund's package of aid to the region, and to the tops being handed out like confetti by the US, and the situation begins to look very serious indeed.

No wonder policy makers and bankers are looking anxiously around for signs that the contagion sweeping South-east Asia might spread to other emerging markets too. The parallels between Latin America, Eastern Europe, the Indian sub-continent, even Russia, and the stricken economies of the Far East, are obvious and many. In all these regions, growth has been heavily dependent on foreign capital, attracted in by tales of fabulous returns and limited currency risk.

A self-feeding emerging markets industry has developed around the business of directing capital into these regions. European bankers last year became the largest group of lenders to the Far Eastern economies, but what they've sunk into the Pacific Rim is modest compared with Eastern Europe and the former Soviet Union. It is also chicken feed set against US investment in Latin America. There is a danger, then, that the speculative bubble of the Tiger economies is just one of many.

For the time being, Wall Street seems determined to turn a blind eye to this possibility. Fears yesterday that Friday's precipitous plunge in the Dow would turn into a rout were eventually vanquished. And

to be frank, Armageddon still doesn't look like the most likely outcome. With luck, the bubble is not yet sufficiently far advanced in Eastern Europe, Russia, India and Latin America to be capable of the damage caused in the Far East.

If so, bankers and investors should count themselves lucky, for they now at least get the chance to learn some lessons. One of these is that Eldorado doesn't exist; there is very little that is miraculous in this world, especially when it comes to money. A second is that capitalism needs to be accompanied by democracy and adequate regulation of financial markets and corporate institutions if it is to function effectively. Nobody in their right mind would think of investing in a company in the developed world which didn't file accounts. Why do they feel so inclined to do so when it comes to emerging markets?

Unfortunately, another aspect of capital is that memories tend to be short – about as long as the next leg of the business cycle to be precise. The Far East may have taught bankers to be wary of other emerging markets, but like earthquakes, there will always be speculative bubbles.

### NatWest needs a new helmsman

Gone are the days when the board of a clearing bank was the size of a male voice choir. But even today you still need a decent number of chaps and chapesses to run the shop and few of our clearers seem com-

fortable rubbing along with anything less than a rugby team's worth around the board table. The board of NatWest is below strength right now, having lost two members recently, and seemingly they may be about to lose another brace if the rumours about Sir John Banham and Sir Desmond Pitcher are true. Only one replacement has so far been found, Pen Kent.

NatWest is therefore in the market for up to three new non-execs. One of them, when he (or she) has been found, will succeed Lord Alexander as non-executive chairman, if everything goes to plan.

Despite weekend press speculation to the contrary, that person will not be Sir Colin Southgate, who had been approached about adding the chairmanship of NatWest to his stewardship of EMI and the Royal Opera House. Sir Colin appears to have decided that he has enough on his plate spinning more life out of the Spice Girls, merging the ROH with the English National Opera and doing battle with Gerald Kaufman before the Select Committee on Culture, Heritage and Sport.

The names of several other candidates have been aired in recent months without any firmer insight into whether they will be offered the job or indeed want to accept it. They include Sir Andrew Large, former chairman of the Securities and Investments Board, Sir Clive Thompson, chairman of Renold-Initial and soon to become president of the CBI, and Sir Nigel Rudd, chairman of Pilkington and Williams Holdings.

Many are called, few are chosen, as they say. But the notable thing about those called

by NatWest is that none has any record as a banker. Sir Nigel Rudd comes closest, being a non-exec of Barclays. There again neither did Lord Alexander have any experience of banking before he took up the mantle at NatWest in October, 1989 promising (or was that threatening?) not to stay in the job for any longer than 10 years.

Perhaps that is where NatWest has gone wrong. Lord Alexander may have made a wonderful libel lawyer for Jeffrey Archer but his record as a non-banker at the helm of NatWest is mixed. By contrast Lloyds TSB, by far the most successful of the four main clearers, has been run for 15 years by a professional banker, Sir Brian Pitman, who has worked for the bank man and boy. The same goes for Sir William Purves and John Bond at HSBC.

The succession timetable at NatWest runs something like this: appointment of the new non-execs in time for the prelims in February. Lord A announces his retirement at the interims in August and departs a year hence, handing over the reins to his chief executive, Derek Wanless, and turning the chairmanship into a non-executive part-time post. This is how chairmen like to go – not seen to be driven out by discontented shareholders but at their own pace.

Unfortunately, it is not clear NatWest can afford such a leisurely departure. It needs new direction right now. Furthermore, if Mr Wanless is to emerge from the shadow of his chairman and prove that he is the professional banker to run NatWest, then Lord Alexander should make way more quickly.

## Output dip casts doubt on prospect for rates rise

**Manufacturing output fell unexpectedly in November but retail sales bounced back in December. The continuing mixed signals on the economy left expert opinion as divided as ever about whether or not interest rates will rise next month. Diane Coyle and Nigel Cope report.**

There was support for almost any view about the British economy's prospects from yesterday's batch of surveys and statistics. Official figures showed that industrial production fell by an unexpectedly steep 0.6 per cent in November. Much of this was the fault of warm weather cutting energy output, but manufacturing also declined by 0.4 per cent.

Although its annual growth rate remained unchanged at 1.5 per cent, manufacturing has been virtually flat since July. The sector makes up just one-fifth of the economy, but its weakness suggested that fourth-quarter GDP will show a slowdown.

Analysts said yesterday's disappointing figures indicated the impact of the strong pound on exports. For the first time higher value industries such as engineering, which do not compete on price alone, were starting to slow down markedly.

Separate figures for prices paid by manufacturers for materials and charged by them at the factory gate showed that

inflationary pressure at the start of the prices pipeline remained extremely subdued in December.

However, there was evidence that profit margins might have increased. Producer output prices jumped 0.4 per cent last month, taking their year-on-year change up a shade to 1.0 per cent. Prices paid for inputs fell 1.4 per cent during the month to a level 9.5 per cent lower than a year earlier.

Economists said some companies were using strong demand at home partially to offset the squeeze on profit margins. But figures for retail price inflation, due today, are expected to show a small fall in the target measure.

There was more evidence for the strength of home demand in the latest survey of the high street. The British Retail Consortium reported a surge in December sales after a weak November.

Sales rose 7.9 per cent last month, according to the survey, or 4.8 for a like-for-like basis, compared to just 4.4 per cent (1.1 per cent like-for-like) the previous month.

The figures showed a month of two halves with sales in the first two weeks continuing at November's weak level before a last minute surge in the last week before Christmas. Sales were particularly strong in the final four shopping days.

Next, the high street and mail order fashion group, provided further cheer for the retail sector with better than expected figures. It said retail sales in the 31 weeks to 24 December were 16 per cent higher on 11 per cent more sales space.

## Confidence among financial companies at two-year low

Financial services companies are more pessimistic about prospects for their business than at any time in more than two years, according to a survey by the Confederation of British Industry.

The survey, conducted by Coopers & Lybrand, showed optimism about business prospects was at its lowest level since September 1995 – despite a year of booming sales. Of 230 companies surveyed, a quarter had lost confidence.

David Sayer, partner at Coopers & Lybrand, said: "The most striking feature is that overall profitability rose strongly, yet there's been a negative effect on confidence."

He said banks were worried about rising interest rates, the impact of the Asian financial crisis, and competitive pressure from the newly converted building societies. The report said they were concerned the worries could become self-fulfilling, despite a lack of hard evidence.

Life insurers were increasingly afraid that the new regulatory regime, under the Financial Services Authority, would hit profits and subject them to much tougher control.

As if to confirm this, the Personal Investment Authority yesterday gave itself the power to ban directors from working in the industry as from 18 May.

– Andrew Verity



On the up: Pubs and hotels are reporting buoyant trading for December

## Festive spending cheers leisure industry

The leisure industry appears to have enjoyed a happy Christmas. Jarvis Hotels, the mid-market hotel operator, yesterday revealed that turnover had risen 23 per cent, and like-for-like sales were up more than a fifth, in the run up to Christmas and new year.

John Jarvis, chairman and chief executive of Jarvis Hotels, said: "Unlike some of the apparent high street retail experience, our customers seemed to determine to enjoy the festive season."

The group has enjoyed bumper bookings due to the hotel sector. Old English Pub Company, the pub and coaching inn operator, added to the good news, revealing that trading was buoyant in December, with like-for-like sales rising by 8.1 per cent thanks to a sharp rise in food sales. It had planned to sell 5,000 Christmas Day lunches but ended up selling more than a thousand extra.

Freepost Leisure, which runs factory outlets and leisure villages, also had a storming Christmas. "It has been an excellent Christmas, with all our sites performing strongly," said Sean Collidge, the group's chief executive.

Analysts believe that further evidence of Christmas strong trading in the pub and hotel industries should emerge later this week with Whitbread announcing a trading statement on Wednesday. The market will also be watching closely for comments from Thistle, the troubled hotel group which recently lost long-standing chief executive Robert Peel and is in need of a decent set of trading figures to calm investor nerves. Diageo, the Grand Metropolitan and Guinness combine, could also give an update on sales and how the Far East financial turmoil has hit profits.

– Andrew Yates

## BSkyB confirms launch of digital TV this summer

Digital satellite television will be available before the end of June, BSkyB confirmed yesterday. The announcement eased investors' fears that regulatory hold-ups and delays in manufacturing the satellite decoders necessary to receive the service would force the broadcaster to postpone the launch. Peter Thal Larsen reports.

BSkyB said the hardware and software developments for the decoders were on track to allow the launch to take place in the second quarter of 1998. It had previously aimed to start the 200-channel service in the late spring.

The announcement came too late to salvage BSkyB's

share price, which had slipped 12.75p to 432p earlier in the day. The slide was prompted by comments from Pace Micro Technology, one of the four manufacturers chosen to supply the decoders for BSkyB's service. The group said it would not supply any decoders to BSkyB before the end of its financial year in May.

That view was echoed around the industry. Another BSkyB decoder supplier said that it would take at least five months to start producing boxes from when the broadcaster placed its order. "Given that time is critical they had better get on with it," the supplier said. Although BSkyB has selected Amstrad, Panasonic, Matsushita and Pace to supply the decoders, it has not given any firm orders and manufacturers have yet to set up their production lines.

However, observers were sceptical about the claims, suggesting that manufacturers had every incentive to pressure

BSkyB into placing its order. Meanwhile, BSkyB is understood to be ready to provide all the subsidy required to reduce the cost of the set-top decoder to below £200. The majority of the subsidy, which amounts to about £200 per box, was originally supposed to be borne by British Interactive Broadcasting (BIB), the interactive entertainment joint venture between BSkyB, British Telecom and Matsushita.

But BIB, which is planning to launch its service in the autumn, is still awaiting regulatory clearance from the European Union competition authorities. Although it is eventually expected to win clearance, it cannot authorise the subsidy for the decoders until approval comes through. Without the subsidy, meanwhile, suppliers are reluctant to start manufacturing.

BSkyB is now understood to be proposing that it guarantees the full subsidy on the boxes, and that BIB pays it back when it achieves regulatory approval.

## Board takes pay cut at Mulberry

Directors in Mulberry, the luxury goods group, are to take a 12 per cent pay cut following the group's poor performance which has seen it slip into increased losses. The company has also imposed a pay freeze on the rest of its staff in an attempt to reduce costs. It has already reduced its payroll by 10 per cent since last year.

The boardroom pay cut includes that of chief executive Roger Saul, whose salary was £120,000 last year, and Godfrey Davis, the finance director, who earned £150,000. Mr Davis said: "We work as a team and we felt we should set an example."

He refused to comment on whether the pay cut should be in line with the fall in the company's share price since its flotation in 1996. The shares have lost more than half their value since their 153p placing on the Alternative Investment Market.

Yesterday the shares closed down a further 5.5p to 64.5p when the company announced increased half-year losses of £70,000. It blamed the strong pound for hitting sales in London and Europe. It is also exposed to the financial turmoil in the Far East.

Another luxury goods retailer also lost its aura yesterday when Theo Fennell, the up-market jeweller, issued a profits warning. It blamed disappointing Christmas trading with sales to high net-worth customers lower than anticipated. The strong pound and the Far East were other factors, it said. The shares slumped by 7p to 25.5p.

– Nigel Cope

Investment column, page 20

## WIN Savage Earth

– Watch it and Quake!



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– Nigel Cope

Investment column, page 20

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## Western markets remain resilient to bouts of Asian flu

### MARKET REPORT



DEREK PAIN

Once again it was the crash that never was. Although shares fell sharply in early trading, the forecast Hong Kong hurricane failed to rip through the stock market and with only a little selling Fpsois ended just 69.5 points lower at 5,068.8.

For a time it looked as though equities would be hammered. The index fell 150 points and appeared to be in danger of going much lower. But once it became clear New York would not, at least during London hours, suffer another slump, shares picked up.

The market's resilience was, in part, due to the remarkable way it has recovered from previous bouts of Asian flu. With earlier, often frightening, setbacks quickly shrugged off there is a natural tendency to sell into a market weakened by overnight developments.

The tumult in the Far East, which Datastream/ICV calcu-

lates has wiped £665bn from the nine main Asian markets since October, has so far had little lasting impact on western markets; London and New York still remain within striking distance of their peaks.

The latest Asian tension occurred as Merrill Lynch's regular fund managers survey showed a preference for European equities. Three out of four believe London shares are fully valued, although 43 per cent are bullish on a year's view.

Nycomed, the Anglo-Norwegian healthcare group, blissfully ignored the gloom with a 65p gain to 2,025p. Domestic stocks such as J Sainsbury and share buy-back candidates like United Utilities and Thames Water were others to push ahead.

Allied Domexx recovered a 17p fall to end 10p higher at 532p as murmurings of some form of corporate activity were heard ahead of

the results.

British Aerospace, lowered 53p to 1,734p, was hit by talk of Far Eastern airline orders may be shelved.

BTR took another pounding, falling 8.5p to 171.5p, lowest for eight years. Tomkins, despite profits ahead of

expectations, fell 10p to 300p. Analyst comments had little impact. Cadbury Schweppes fell 6p to 639p, ignoring Goldman Sachs support. Salomon Smith Barney enthusiasm for generators National Power and PowerGen left the shares off 5p to 639p and 11p to 812p respectively.

But BZW left BSkyB off 12.75p at 432p and ABN Amro Gruett support sweetened sugar group Tate & Lyle, up 18.5p to 535p, an all-time peak. The shares have come up from 400p since August and although prospects have improved there is a sneaking suspicion the group, which once resisted nationalisation attempts by Old Labour, is in a predator's sights.

The usual array of disappointing statements appeared. Servisair, an airline support group, dived 65p to 200p after a profits warning; jeweller Theo Fennell dropped 7p to 255p after saying disappointing Christmas trading would hit profit and Pace Micro Technology lost 8p to 37.5p following yet another profits warning.

There were also encouraging statements. Supermarket chain Wm Morrison, IT operator Triad and shipbuilder Cammell Laird were among those to make headway. A £5.2m property disposal hardened Estates & General 4.5p to 80p.

B Elliott, the old machine tool group now a specialist engineer, is the latest non-Footsie stock to attract a bidder. The shares jumped 20p to 93.5p after the company confirmed an approach.

EW Fact, the accountancy unit group, edged ahead 4p to 65.5p. There was vague talk of bid action. BPF, unchanged at 517.5p, was one

of three companies to benefit from a new deal between the government and the engineering industry.

EMERALD ENERGY was busily traded. The price firmed 1p to 7.25p in a near 22 million share turnover. The company continues its Colombian oil programme but the depth of the drill means progress is slow. There are hopes of a development report next week.

A £5.2m property disposal hardened Estates & General 4.5p to 80p.

### TAKING STOCK

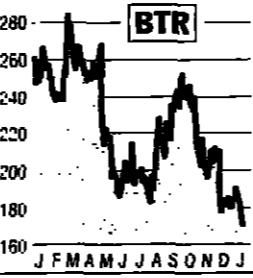
Megamedia headed by Maurice Saatchi, gained 3.5p to 63.5p. Landau Enterprises, owned by the Saatchi family and friends, picked up 100,000 shares at 59p, lifting its stake to 43.1 per cent. There is speculation Mr Saatchi could descend on the Saatchi & Saatchi advertising group, split from Cordinant. SAS was little changed at 113p.

Deltion Electronics, a distributor and maker of electronic components, firms 8p to 127.5p following a round of investment meetings. There are suggestions it will make a positive trading statement this week. Profits this year are likely to emerge at £3.3m, up from £2.7m, and there are hopes of £3.8m next year.

Alan Stark, chairman of Lotterlyking, providing lotteries for clubs, picked up 300,000 shares at 1.5p, taking his stake to 35.48 per cent. The price held at 2p.

### Share spotlight

share price, pence



Source: Bloomberg

**Share Price Data**  
Price is access to recent exchange where quoted. The yield is the latest twelve months' declared gross dividend as a percentage of the share price. The prearnings (P/E) ratio is the share price divided by last year's earnings per share, excluding extraordinary items but including exceptional.

Other dealer Ex rights x Dividend x Dividend x Paddy Paid up Nil Paid x APOL

Source: Bloomberg

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**FTSE 100 Index hour by hour**

Open 1000 3000 5000 7000 9000 11000 13000 15000 17000 19000 21000 23000 25000 27000 29000 31000 33000 35000 37000 39000 41000

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## Why we failed to read the signs of frailty and warn of East Asia's crisis



**HAMISH MCRAE**  
ON CONSEQUENCES  
THAT COULD HAVE  
BEEN FORESEEN

Why didn't we see it coming? Surely the greatest question raised by the East Asian financial crisis – greater even than the “how are they going to dig themselves out?” one – is why there was so little warning. Large numbers of supposedly well-informed experts completely failed to warn of the fragility of the East Asian economic region until after the event.

I find this unforgivable. Once it was clear there was a problem everyone leapt in. The credit rating agencies downgraded the debt to near-junk status, which is a lot of use since, by then, the debt was yielding junk returns. The investment banks warned their clients that they should expect more turbulence after those self-same clients had lost half their money. The official world you would expect to be useless, for officials are too frightened for their careers to be prepared to give what are inevitably disagreeable warnings. Local financial institutions, particular local banks, I would expect to be pretty cowed and bullied, so it is unrealistic to expect warnings to come from that quarter. But the foreign financial community ought to have seen something coming and it did not.

The only previous shock that came in such a completely unexpected manner was the first oil crisis in 1973/4. Though the Shell scenario planners had noted that a sharp rise in prices was possible they did not expect a quadrupling; nor did the Treasury VSOP committee (with surpluses of oil producers) also formed a few months earlier to consider the financial consequences of an oil price rise.

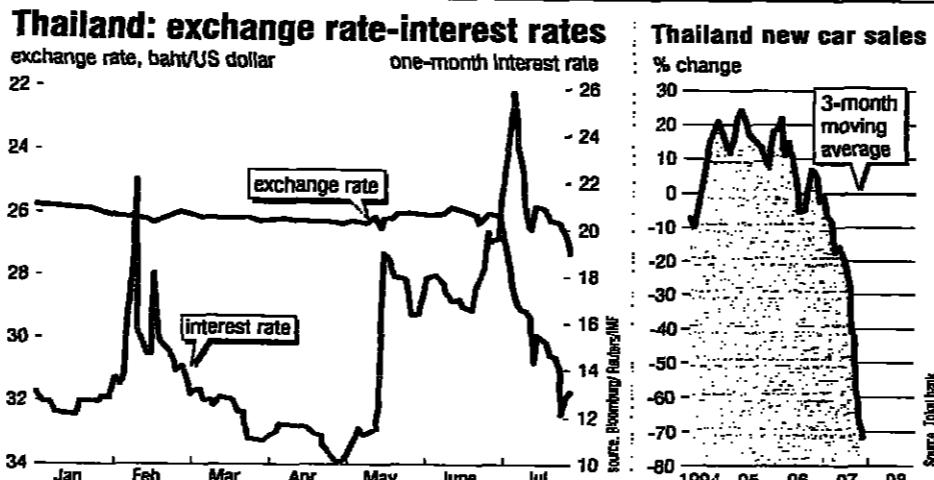
By contrast, the third world banking crisis of the early 1980s might have come as a surprise to the lending banks but banking crisis always comes as surprises to the banks: quite a lot of other financial organisations were profoundly concerned by the growth of very low spread loans to Latin America.

So why was this one such a shock? The answer I think comes in three parts.

First, there is a structural weakness in the sources of information. Not many people follow the economies of East Asia, aside from Japan, and most of those that do work for financial institutions whose job it is to persuade investors to put their money there. The result was, at best, a lack of independence in the analysis and, at worst, actual corruption in that analysts were leaned upon by their bosses to see the sector through rose-tinted spectacles.

Second, because the underlying economic performance of the region has been so strong, and in many cases for very good reasons, there was an assumption that even if something went wrong, the general growth of the region would ensure that mistakes could be overcome. The fact that some of the big investment projects in the region were clearly overblown (Malaysia building the tallest building in the world should have been a good “sell” signal) did not seem to matter because with 7 per cent growth the losses on a few bad investments would be more than offset by the profits of the good ones.

**Thailand: exchange rate-interest rates**  
exchange rate, baht/US dollar



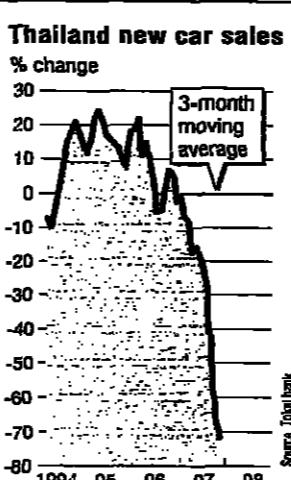
Third, there is a certain, shall we say, “tough-minded” attitude in the financial community towards little matters like democracy, free speech, social costs and political rights. Some people even argued that the region’s success was the result of its focus on economic progress rather than political freedom, as though the two were incompatible. People with money to invest, rather like authoritarian regimes and the region, provided plenty of examples. The fact that authoritarian regimes are better at covering things up and therefore are ultimately more fragile than democratic ones was quietly ignored.

Was it then really possible to foresee the crisis? I think I can demonstrate that it should have been. Have a look at the graphs. On the right you see Thai car sales – an interesting little picture dug out by the economists at Total Bank here in London. As you can see they fell off a cliff during 1997. But if you look closely you can spot that the fall started at the beginning of the year and was well in evidence by March. The currency and interest rates showed no real movement until well into the summer, though that spike in interest rates in the spring should have been a warning. Ideally the expert analysts should have been looking at bank indebtedness and saying three years ago that there was a problem, but simply by looking at one indicator of consumer confidence anyone ought to have been able to spot that something was up. Three years’ notice would have been wonderful but even three months would have been helpful, for it would have given more time for a rescue to be put together.

Having fun kicking the experts is a good sport but there are some really disturbing conclusions. Forget about the actual problems of East Asia, for they are at least now in the open and the collateral damage to the rest of the world economy has been limited. There have even been some benefits in the decline in pressure on commodity markets, especially oil. Focus instead on the weakness of our early warning mechanism.

Question one: Are there structural weaknesses in the quality of information about other economic matters? For example is there the same conspiracy of silence about the level of US equities or the possibility of a collapse of EMU? There is a bit of talk about both, though I am astounded at the way in which the world economy and being prepared to speak their mind without getting sacked when what they have to say does not fit the overly rosy house-view.

**Thailand new car sales**  
% change



zones” – dangers which are not properly discussed because to do so would be bad for business.

Question two: To what extent are values elsewhere dependent on a good general economic performance? For example, to what extent do public finances in the G7 countries allow for the next recession? The D-word, deflation, has moved into common currency, but the R-word, recession, is still hardly mentioned.

Question three: Are financial markets, in their self-confident view that their ideology is now the global standard, giving sufficient weight to the costs of establishing the market system in places with little experience of running it? If we were too tough-minded about the lack of democracy in East Asia, are we being too tough-minded about the costs of applying the market throughout Europe and North America?

I’m not really worried about East Asia. There will be a difficult three years and growth will resume. I’m more worried that we won’t learn the lessons of the East Asian crisis: that we need honest, independent-minded people looking at every aspect of the world economy and being prepared to speak their mind without getting sacked when what they have to say does not fit the overly rosy house-view.

## PEOPLE & BUSINESS

**JOHN WILLCOCK**



It is an ill wind, so they say. The turmoil in Asian financial markets and the collapse of the Peregrine investment bank has British receivers licking their lips.

After all, the UK’s liquidators have got sweet funny ads to do over here at the moment, since company receiverships in the UK are at their lowest since the mid 1980s. In contrast, most observers expect Peregrine to be just the first of a rich crop of corporate casualties out East.

Big names in British bankruptcy that sprang to prominence in our last recession, and who have been spotted in various parts of the Far East recently, include Colin Bird of Price Waterhouse, Stephen Adamson of Ernst & Young, Murdoch McKillop of Arthur Andersen and Gordon Stewart of Allen & Overy.

It makes sense. They all have loads of experience of cross-border crashes, and the current Asian crisis has been sparked off by cross-border lending to places like Thailand and Indonesia.

Neil Cooper, a partner with Buchler Phillips in London, who has spent a long career specialising in multinational company collapses, said: “These days there’s a wealth of (insolvency) talent in Hong Kong, which will be supplemented by shipping in more talent from London and Sydney.”

In the early 1980s it relied on immigrant labour, with people like me flying into Hong Kong to do the biggest jobs. I did three receiverships in Thailand once,” Mr Cooper added, with a hint of nostalgia in his voice. Buchler Phillips is opening an office in Thailand via its associate Ferrier Hodgson specifically to deal with the expected avalanche of insolvency and restructuring work, Mr Cooper said.

It’s an old saying that timing is everything. I’ve just received a report from the Hong Kong Economic and Trade Office on the six months af-

ter reunification with China, which starts: “1997 was a momentous year for Hong Kong. There were sceptics who thought that it would bring changes to Hong Kong that would fundamentally alter its nature. How wrong they were.” Stick around. They might be right in 1998.

Just to put Hong Kong’s problems into perspective, how about this sound bite yesterday from Japan’s Ministry of Finance: “Japan’s bank bad debts now total 76.7 trillion yen.” Even in yen that’s a lot of money.

A “totally bald” lawyer is to run a marathon in the Sahara this year for charity under the banner: “Fat cat turns desert rat.”

The self-deprecating chap in question is Robin Spencer, a partner in the insolvency group at Lovell White Durrant. The barrister turned solicitor will run the 145-mile Marathon des Sables this March, and aims to raise £50,000 for the Variety Club Children’s Hospital at King’s College Hospital, London.

The run will take six days and will cross the sand dunes, river beds and palm groves of southern Morocco, where temperatures can reach 120 degrees Fahrenheit.

Mr Spencer, 39, is anything but a health nut, having only taken up running seriously last April. Since then he has been running 30 to 50 miles a week, a routine which has already brought his weight down from 13.5 stone to 11 stone and his resting heart rate down from 70 to under 50. Makes you sick, doesn’t it.

He is also the only bald participant in the race. Mr Spencer’s baldness is caused by the condition alopecia totalis – Duncan Goodwin, the swimmer, has the same condition. Mr Spencer believes it will be a positive advantage in the Sahara: “There are no hair washing facilities in the desert. Hirsute competitors may find this uncomfortable, given the heat and dust, whereas I will be restored by a quick wipe from a damp cloth.”

The new money market rate for the euro, which will replace Libor if we ever get round to monetary union, will be called “Euribor”, according to Paribas yesterday. How very appropriate. I think we all know a few Eurobors....

As the graduate recruitment season begins, the questions asked at interviews seem to be getting more and more bizarre.

The Diplomatic Service appear short of jokes, asking young hopefuls what makes them laugh. Management consultants are getting a particular reputation for mind-bending posers. According to Nicki Henrion, head of consultant recruitment at Boston Consulting Group, “Each person is asked how many petrol stations there are in south-east London.”

Surprisingly, Ms Henrion claims interviewers know the answers to this type of question and they expect reasonably accurate answers, too. Sounds to me like taxi drivers have a bright future in consulting.

### Foreign Exchange Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
UK	1.6209	1.0000	Oman	0.8280	0.3850
Brazil	1.5339	1.1561	Pakistan	7.1320	4.0000
China	8.2782	0.8272	Philippines	4.7000	0.4000
Czech Rep	5.5979	0.2245	Singapore	5.7272	0.3500
Egypt	5.5769	0.3400	South Korea	9.8613	0.2900
Uganda	3.5903	2.2263	Russia	9.9813	0.2000
Hungary	3.3382	0.2058	Taiwan	5.2071	0.2200
India	6.0426	0.3850	Thailand	2.9700	0.1200
Indonesia	14.2029	0.1000	United Arab Emirates	1.4200	0.0000
Kuwait	0.4954	2.3760	Venezuela	1.4200	0.0000
Nigeria	12.1232	0.1000	Yemen	1.4200	0.0000
Yemen	1.6209	0.1000			

### Interest Rates

Country	3 mth	chg	1 yr	chg	2 yr	chg	5 yr	chg	10 yr	chg
Australia	4.50%	-0.05	4.55%	-0.05	4.65%	-0.05	5.29%	-0.09	5.66%	-0.11
Canada	5.00%	-0.05	5.05%	-0.05	5.10%	-0.05	5.50%	-0.05	5.75%	-0.05
France	5.00%	-0.05	5.05%	-0.05	5.10%	-0.05	5.50%	-0.05	5.75%	-0.05
Germany	5.00%	-0.05	5.05%	-0.05	5.10%	-0.05	5.50%	-0.05	5.75%	-0.05
Japan	5.00%	-0.05	5.05%	-0.05	5.10%	-0.05	5.50%	-0.05	5.75%	-0.05
UK	5.00%	-0.05	5.05%	-0.05	5.10%	-0.05	5.50%	-0.05	5.75%	-0.05
USA	5.00%	-0.05	5.05%	-0.05	5.10%	-0.05	5.50%	-0.05	5.75%	-0.05

### Bond Yields

Country	3 mth	chg	1 yr	chg	2 yr	chg	5 yr	chg	10 yr	chg
Australia	3.00%	-0.05	3.05%	-0.05	3.10%	-0.05	3.50%	-0.05	3.65%	-0.05
Canada	3.00%	-0.05	3.05%	-0.05	3.10%	-0.05	3.50%	-0.05	3.65%	-0.05
France	3.00%	-0.05	3.05%	-0.05	3.10%	-0.05	3.50%	-0.05	3.65%	-0.05
Germany	3.00%	-0.05	3.05%	-0.05	3.10%	-0.05	3.50%	-0.05	3.65%	-0.05
Japan	3.00%	-0.05	3.05%	-0.05	3.10%	-0.05	3.50%	-0.05	3.65%	-0.05
UK	3.00%	-0.05	3.05%	-0.05	3.10%	-0.05	3.50%	-0.05	3.65%	-0.05
USA	3.00%	-0.05	3.05%	-0.05	3.10%	-0.05	3.50%	-0.05	3.65%	-0.05

### Money Market Rates

Country	Overnight
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## GOLF

## Olazabal lightens step and takes giant strides once more

**Intense, passionate, dedicated are all adjectives to describe Jose Maria Olazabal's approach to golf.**

**After 18 months out of the game with a foot injury, perspective can now be added to the list. Andy Farrell finds a relaxed Spaniard looking forward to the start of a new season next week.**

There have been times when Jose Maria Olazabal has not always looked like he was enjoying himself on the golf course. These would be the days that reporters awaiting the Spaniard at the recorder's hut could expect to get more out of Nick Faldo in monosyllabic mode.

While Olazabal has the hands of an artist, and Faldo those of a (highly proficient) technician, the pair share one vital quality in the make-up of a champion, that of being a perfectionist.

Olazabal was down in the dumps after losing the 1991 US Masters to Ian Woosnam for so long it was not until March 1994, after a sharp talking-to from Maite Gomez, the wife of his manager Sergio, that the complex Basque snapped out of it. He was slipping on a Masters Green Jacket only a month later.

But while that season was the highest point of his career, the lowest followed from September 1995 when he had to quit the tour with a foot injury.

An initial wrong diagnosis of the condition meant there were times he could not walk during the 18 months he was away from the game.

Such experiences change a person. "It has always been a pleasure to play golf, even

though I didn't look like I was enjoying it sometimes," he said. "It has always been a pleasure all my life to play golf, but it gives you a different feeling after what I have been through.

"After you have been 18 months without being able to work, then you start to appreciate the small things in life. Just to wake up, to stand on your feet having no pain, being able to work, play 18 holes and just look up in the air and see blue skies and trees all around you. These are very, very nice things."

Last week Olazabal was in a relaxed mood as he made a fleeting visit to the European Tour's Training School at San Roque. He talked as openly and warmly with the new recruits who will embark on their professional careers this year as he later did with the media.

It was the first time the 31-year-old had returned to the hotel where he stayed as a member of the European team at last September's Ryder Cup. That triumphant week holds special memories for Olazabal, as does his victory in the Carnarvon Open, which was only his third event after resuming his career. "I cannot put one in front of the other," he said.

"Winning my third tournament was very emotional. On the 18th hole all the memories of those 18 months came to my mind and it is very difficult to explain what you feel. At the Ryder Cup, it was pretty much the same thing because I had to decline the invitation to play two years before. It was a wonderful week, not just for me but for Europe."

Olazabal was so overcome at the victory press conference that he broke down in tears. The memories of that week, he says now, are something "I couldn't put money on".

Money does not figure large in his list of priorities. "Material things don't mean

much to me. I have had a chance in my life to have the best cars, the best watches or whatever. But I have never had more than one car, I am always wearing the same watch. Family, I think is more important.

"I have been lucky in life to have wonderful parents and great friends. To be able to build a house with enough room to bring my parents to live there, that to me is more important than anything else. They have done a lot for me and now I am paying them back. That is what I really enjoy, to see them happy."

The reason for Olazabal's visit to San Roque was twofold. He is working with MacGregor on a new set of blade clubs, although no contract will be signed until he is entirely satisfied. And there was the chance for John Jacobs, the renowned coach who has been the only man Olazabal has ever trusted enough to take advice from, to look over his swing.

The session was positive, although Olazabal knows he needs to work on the takeaway in his swing and his driving before opening the season at the Johmnie Walker Classic in Thailand next week. He has not always journeyed to the Far East at the start of a year, but it has been forced on him by the decline in opportunities to play in Europe prior to the Masters.

Olazabal, who still lives on the San Sebastian golf course where his parents worked, does not enjoy long trips from home. He does not want to go full-time on the US Tour, but feels improvements need to be made at home.

"I strongly believe that we need to improve the facilities and the conditions on the golf courses," he said. "I think that should be the priority and I think it is the priority for the people running the European Tour."

Money does not figure large in his list of priorities. "Material things don't mean



Olazabal enjoying the Ryder Cup - 'a wonderful week' - last September

Photograph: Reuters

**Mickelson able to ward off Woods**

Phil Mickelson survived charges by Tiger Woods and Mark O'Meara to win the Mercedes Championship by one stroke in Carlsbad, California, on Sunday. Mickelson moves up to fifth place in the world rankings issued yesterday, a jump of two places and his highest ever.

A tie for second place by Tiger Woods enabled Mickelson's fellow American to regain the lead from Australia's Greg Norman.

Mickelson, who began the final round with a one-stroke lead, recovered from a first-hole bogey to shoot a four-under-par 68 on the saturated La Costa course. He finished at a 17-under 271, while Woods and O'Meara both shot 64 to tie for second on 272.

"It was a pretty exciting day and a great way to start '98, because '97 in some respects was disappointing for me, even though I won two times," Mickelson said. He collected \$306,000 (£204,000) for his 12th PGA Tour victory.

Mickelson, who grew up in nearby San Diego and used to attend this tournament regularly, was not at his best, but seven birdies and three bogeys were enough to achieve his goal.

"I had one mindset," he said. "The only thought I had was to do whatever it takes to win and I kept thinking that throughout the round."

Woods, the defending champion, could not quite repeat, but he did enough to show everyone he is likely to be the player to beat again this year.

"I drove it great all week; hit my irons well," he said. "Unfortunately I had a four-putt and two three-putts. Other than that I'm very pleased with my game. All the things I've been working on feel very comfortable."

Rankings, Sporting digest, page 27

HOW TO SCORE	
player score	■■■■■
clean sheet	■■■■■
winning goal	■■■■■
successful assist	■■■■■
- yellow card	■■■■■
red card	■■■■■
manager's team wins	■■■■■
draw	■■■■■

Updated player scores and league tables will be published every Tuesday in *The Independent* and repeated the following Sunday in the *Independent on Sunday*.

Overall score calculated on matches played from 8 August - 4 January

LEAGUE TABLE

CALCULATED ON MATCHES PLAYED FROM 8 AUGUST - 4 JANUARY

POS NAME TEAM POINTS

1 Deja Vu 720

2 The Untouchables 719

3 Billy Boys 2nd II 719

4 Simply The Best 718

5 Miss Lisa Wild 717

6 Ameretto AFC 717

7 Washed Up Army 717

8 No Wright 712

9 Unbeatable 712

10 Feeding Victory 711

11 Pins Up 4 711

12 Boothen End Old Boys 711

13 Southville FC 711

14 Wembley Bounders 708

15 Tony's Braces 708

16 Diana's Demons 708

17 Edmo United 705

18 Billy Boy's 3rd II 701

19 Stunniing Scunts 701

20 The Hairy Monsters 695

21 Retro Rovers 694

22 Linthorpe Rovers 693

23 Jack's Lads 693

24 Washed Up Army 693

25 Clogston Rovers 693

26 The Hoofers 692

27 Mr I Brown 692

28 Mr A Choudhi 692

29 Mr S Scott 692

30 Mr C Thomas 690

31 Mr D Baker 690

32 Mr A Cunningham 689

33 Mr M Ewings 687

34 Mr S Man 685

35 Mr D McCarre 684

36 Mr M Ward 684

37 Mr S Walker 684

38 Mr C Hempstead 684

39 Mr C Lees 684

40 Mr J McCrossan 684

41 Mr A Cox 684

42 Mr K Ford 684

43 Mr D Ackroyd 684

44 Mr J McCrossan 684

45 Mr I Cox 684

46 Mr G Bell 684

47 Mr J Cox 684

48 Mr A Wingrove 684

49 Mr T Lyons 684

50 Mr D Edington 684

51 Mr D Ashton 684

52 Mr D Ashton 684

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# 26/ THE DRUG VICTIMS

## Medals tainted by revelations of East German abuse

As the East Germans produced a stream of sporting triumphs in the Seventies and Eighties, it was difficult not to wonder how many of their awesome performances were drug-assisted. Now we know that many were.

Recently, a number of British competitors denied Olympic, world, European, or Commonwealth glory by drug abusers have called for a reallocation of medals. However, as Mike Rowbottom reports, it is not as simple as that.

The news of suspected Chinese drug abuse now emanating from swimming's World Championships has struck a particularly chilling chord with Kathy Cook, Britain's leading sprinter of the 1980s. It is not hard to understand why.

Voice has been raised in recent weeks to rewrite the record books in the light of the latest evidence that, until its demise in 1990, East Germany ran a state-governed doping policy involving all its significant performers.

It was Cook's misfortune that her prime coincided with the prime years of the regime which turned a small country of 17 million people into the third-strongest sporting nation on earth behind the Soviet Union and the United States.

If one subtracts the performances of retrospectively implicated East Germans in Cook's races, you could argue she would have won at least another three major medals in her career. She would have been the European 200m champion in 1982 – when she took silver – and would have had two individual medals from the 1980 Olympics to add to the bronze she did win in the 400 metres at the Los Angeles Games of 1984.

No other British competitor, save perhaps the swimmer Sharron Davies, who lost out on the 1980 Olympic 400 metres medley title to a 17-year-old East German, appears to have been as harshly affected by the activities of the discredited GDR.

So the suspicion that more cheating might be underway on a huge and orchestrated scale lowered the spirits of the Olympian, who is now a 37-year-old mother of three and part-time teacher.

"When I heard about the latest Chinese incident, I thought to myself 'Surely it isn't all happening again, with just a different set of people? It is just so depressing.'

Perhaps the most depressing element of the unearthing of the old GDR methods is the horrifying realisation that drug-taking was systematic and state-controlled.

As a number of sportsmen and women from the former Communist state take out legal suits against their old coaches and doctors, claiming that drug-taking has damaged their health, fuller details of what was bald-



Britain's Kathy Cook (in lane two) finishes third behind East Germany's Marita Koch at the 1983 World Championships in Helsinki

Photograph: AP

ly known as State Plan 14.25 have been uncovered.

Professor Werner Franke, a molecular biologist appointed to investigate GDR methods by the German parliament, says he has found Stasi secret police files showing that "hundreds" of East German competitors who won titles were on drugs.

That claim has been given credence by testimonies from former competitors such as the shot putter Heidi Krieger, who says she was forced to undergo a sex-change after being fed huge doses of male hormones in anabolic steroids, and the swimmer Roland Schmidt, who claims he is one of many male athletes who have had to have breasts surgically removed.

These plaintiffs are the prime victims of the GDR doping regime, notwithstanding the understandable outrage or frustration of those whom they deprived of medals. What recompense they will gain from the legal suits they have taken out against their former coaches and doctors remains to be seen.

Any convictions would certainly increase the pressure on the International Olympic Committee to re-allocate medals. The precedent for doing this is already well established. Four years before Ben Johnson's Olympic 100 metres title passed to Carl Lewis following a positive drug test, Britain's Mike McLeod was promoted from bronze to silver medallist in the 10,000m at Los An-

geles after Finland's Martti Vainio was found to have taken steroids.

But these decisions occurred after positive tests from the races themselves. As many East German competitors have testified, GDR athletes due to compete internationally were told when to stop taking their pills beforehand and tested to make sure no illegal traces remained in their bodies. If they showed up positive, they were told to withdraw because of injury.

The International Amateur Athletic Federation has already balked at annulling GDR performances at past championships, not least because they have a six-year time limit on any such alteration.

Cook, who is married to the for-

mer British 400m runner Garry, sympathises with Davies' demand that she be awarded her rightful medal nearly 20 years after the event.

"I can fully understand how Sharon feels," she said. "Just like her, I have been thinking about the question a lot recently. You do wonder if things in your life might have been different if all this had come to light nearer the time."

"Garry and I talk about it when evidence comes out, and we say jokingly, 'I was robbed. But I had my fair share of standing on the rostrum, and I think there is too much water under the bridge to change things now.'

Cook's magnanimity is partly informed by simple logic. As she points out, if GDR performances are

to be annulled, how does one legitimate for all those wrongfully knocked out in the heats and semi-finals, and how can one say how they might have reacted to the challenge of continuing competition?

The other major factor which would militate against such draconian action is that it is too simplistic to believe that only GDR athletes were cheating. Sufficient doubts have been raised about the performances of Western athletes in the Olympics involving the GDR – in 1972, 76, 80 and 88 – for that position to be rendered ludicrous.

Anecdotal details of the East German drug regime have been around for several years. In 1989 Hans-Georg Aschenbach, an East German

ski-jumping gold medallist at the 1976 Winter Olympics, claimed that he and other children enrolled in special sports schools had regularly been given pills without being told they contained steroids.

"Children were doped up without their or their parents knowing about it," he said.

Aschenbach, who defected to West Germany in 1988, said he subsequently learned from his older teammates that the pills contained drugs. "We were forbidden to talk to anybody about them," he said. "Anyone who talked was dropped from the team."

Such a policy obviously did not prevent rumours from spreading fast. Cook knew a number of the East German sprinters throughout her 10-year career, which ended in 1987.

"Sometimes I would have to look at runners twice because their whole shape had completely changed," she said. "The most disturbing thing was the way some of the girls' voices had lowered."

For all her suspicions, though, the realisation of the scale of implied wrongdoing has come as a surprise. "The idea that the whole team was involved, lock, stock and barrel, is horrifying," she said. "Especially when you think that some of them were so young."

She was particularly disappointed to see evidence that Marita Koch was implicated in the drugs regime. Koch's 400m world record of 47.60sec – nearly two seconds faster than Cook's British record or 49.42 – has stood since 1985.

"Marita was a role model to me," Cook said. "She was a really nice person, and she had this charisma. The crowd would go silent because she was so fast. She just destroyed fields. I remember watching on television when she set her world record and it left me speechless."

Now Cook finds there is almost nothing to be said. "I don't know how I would feel if I ever saw her again," she said. "I've no particular wish to. I feel a mixture of sadness and anger about the whole thing."

But the rival with whom Cook feels most aggrieved is Canada's Angela Taylor, later Isaakova, who beat her to the 1986 Commonwealth Games 200m title and admitted three years later to having taken drugs since the 1980 Olympics.

"I feel angrier about what Angela did because she chose to go down that track herself," Cook said. "It seems a lot of the East German athletes were taken as youngsters and told what to do without being given the facts. It's a horrific situation, but you can have more sympathy for people involved in it."

"One of the saddest things is that those East German athletes were never able to show how good they really were without the help of drugs. Their whole careers were flawed."

"I don't know how you could win a race knowing that you had cheated and gain any satisfaction from it. Once the initial excitement was over, the lap of honour and the medal ceremony, I don't think I could live with knowing that I had cheated. It's the way you are made, I suppose."

### They got flats, we got a drink with Ted Heath

Hugh Matheson, the Independent's Rowing Correspondent, was beaten to a gold medal by an East German crew at the Montreal Olympics in 1976. However, he believes his defeat in the eights final was down to the winners' professionalism – not drugs.

"Sell yourselves dearly." That was all Bob Janousek, our Czech coach, said before we went out for our Olympic eights rowing final. It was the best summary of three years' instruction that had taken the British crew from bottom of the pile at Munich in 1972 to pole position in Montreal. The phrase told us that we had the speed and skill to win, but that we were not favourites.

The race plan born from the experience of the heats and semi-final showed that we had to get to the front shortly after half-way and build our lead and try to hold off challenges in the closing stages. East Germany and New Zealand, the winners four years earlier, were the toughest opposition. The United States and Soviet Union, who should have been in the medals, had blown it early and were not in the final.

New Zealand could start fast, but we were covering the first 500 metres faster than the best eights do, even today. But they, like us, were amateurs, all in work and mostly on unpaid and grueling holiday to attend the Olympics. The East Germans were different. They trained, as professionals, four to five hours a day. There were 300 full-time

coaches in their system. There were two in ours. They had a huge pool of athletes who had been drawn into the sport from an early age.

Much of our inside information came from Janousek, who had also been given a deep and detailed five-year-course in physical education at Charles V University in Prague and had insight into the thoroughness with which sporting success, which was in effect a branch of foreign policy, was applied behind the Iron Curtain.

We also assumed that they were given help from drugs. Because we knew little of the pharmacology that might be involved – beyond the standard "anabolic steroids" – our suspicions were unsophisticated and frankly did not make a damn bit of difference.

We were all so manic in our own determination and so dog tired from the intensity of the training that we crammed into an hour and a half on weekdays and four at weekends that we spent little time thinking about it.

The East Germans did everything differently. They covered huge mileage at a low level of pressure working to raise their aerobic threshold. We sprinted everywhere and learned to work with high levels of pain and lactic acid in the joints. They spent at least a month each winter at high altitude in Bulgaria doing long-distance training on skis. They got a two-week holiday in Cuba if they won a gold medal. Ted Heath, then Prime Minister, asked us for a drink at Lancaster House.

There was plenty of downside for the East Germans. Their sports organisations were riddled with Stasi secret police officers. Sport was, after all, a means of expression

for the state, not for the sportsmen, who were patronised and thanked with holidays and better flats.

They had to earn it, not just in competition but by toeing the party line which included a good deal of moralising about personal relationships. People were dropped from teams for having the wrong sort of affairs.

And, now that 20 years have passed, the biggest downside of all is emerging: the drugs they took are popping out again in the form of reproductive difficulties and sexual confusion. The swimmers are beginning to sue their coaches and managers for abuse of minors under their care.

Janousek knew that most of us in the British crew would do whatever it took to win. We were willing to abuse our bodies to the extent of massive fatigue and pain, and a pill or two that relieved the stress and allowed more chance of success would not have seemed inappropriate to me then. Janousek was adamant and tough. It was not an option – a decision he took knowing the eventual price in results. Thank goodness he did. However, it never worried me that others took the opposite view.

At least the East Germans were under very strict controls, unlike other nations where athletes regularly dosed themselves with drugs bought from the local chemist, with no testing or controls.

In 1993 I received from Professor Werner Franke, who has collected most of the documents which survived the fall of the Berlin Wall in 1989, an academic paper describing the experiments with the East German rowing team in 1980. In this paper, the rowers are not

named but cited by numbers. They are, however, easily identified because their racing records in the western regattas are quoted in full along with their Olympic results.

It is important that if in time the East German results are wiped from the record because of evidence of systematic drug abuse it will happen because it was systematic and was properly recorded. All the more chaotic abusers, which should include most of the Warsaw Pact countries, will get off only because they had no proper controls and no record keepers.

I have never given this particular fact publicity before because it would have seemed like sour grapes of the "We woz robbed" kind and because until the recent flurry of revelations people were not interested in what is a narrow and personal view.

But the overwhelming reason for keeping quiet about the drug abusers is that it remains to me a detail, a sidebar, to the principal reason we lost a gold medal in July 1976. We took the lead as planned with a devastating burst at 1,000m, which took half a length off the field and broke the New Zealanders. We held our lead right through the next 750m, but the head wind was sapping and made it a slow race. It favoured those with extensive training, the four-hours-a-day kind that is universal now.

Our intense programme made us thrilling sprinters, but with 150m to go we had run out of steam, and it was indeed East Germany who deservedly went through to win. Our heads went down and the boat slowed across the lanes. We had silver, but we had been defeated by stronger men.

Our suicide, chronic disease and crippled lives are the legacy of East Germany's relentless pursuit of medals. Now some of the victims are breaking their silence, denouncing the officials who fed them the pills. Imre Karocs reports from Bonn.

The record books state that the gold medal for the women's shot put in the 1986 European championships in Stuttgart was won by Heidi Krieger, with a throw of 21.10 metres. She was 21 and at the pinnacle – it later transpired – of her career.

Krieger had been training hard since the age of 13. When she was 16, she started receiving the little blue pills from her coach. These "vitamins" were wrapped in silver paper and seemed to help her gain strength. As the weights she lifted daily in the club gym increased, so did the size of the pills. Still, she asked no questions. She was somewhat surprised when the sports doctor prescribed her contraceptive pills, even though she was completely innocent in matters of sex, but took them obediently as well.

After her triumph in Stuttgart, Krieger's body began to rebel against the punishment. Her back was aching all the time, her knee and hips had to be operated on. In 1987 she was taking five of the blue pills a day, yet still came only fourth in the World Championships. By now she was aching all over.

The muscles she used to be so proud of no longer felt like her own. She suddenly felt trapped in a body that was not hers, abandoned women's clothes and started to feel embarrassed about going into the women's lavatory. She felt like a man.

She only discovered why several years after the fall of the Berlin Wall. "Hormone Heidi" – as she had been known to her coaches – had been fed a record amount of testosterone: two and a half times the amount recommended in East German sports scientists' secret manuals. The contraceptives – a cocktail of female hormones – were administered in order to maintain a semblance of femininity.

But a man she was, and last year she completed the metamorphosis in as much as that is biologically feasible. After another course of testosterone to complete the job, Heidi's breasts, womb and ovaries were removed, and the person emerging from the operating theatre took up

'Hormone Heidi': Drugs turned her into a man

the name of Andreas. The male organ is yet to be built, but "Mr. Heidi" is happy none the less. At least he is alive, in a body to which he can now relate.

Several former East German athletes have committed suicide, and hundreds more are thought to be suffering various drug-related ailments. Catherine Menschner, a 33-year-old former swimmer, is not certain whether it was the drugs or the strenuous training which literally broke her back. Now she cannot even lift her eight-year-old child.

An estimated 2,000 athletes were given performance-enhancing drugs in the 1970s and 1980s. Even seven years after the disappearance of East Germany, many medalists are maintaining silence over the drugs they received. But some are beginning to speak out. A questionnaire sent out by Berlin prosecutors investigating doping practices has been filled out and returned by some 600 victims. Their complaints are textbook cases of steroid abuse: liver and kidney damage, impotence, severe emotional problems.

With the help of their testimonies, the prosecutors hope to put away a few of those supplying drugs. At the end of last year, four former East German swimming coaches were charged with causing bodily harm. Two of them, Dieter Lindemann and Volker Frischke, were hired by the German Swimming Federation after reunification but had been recently suspended because of the investigation. For the moment, many other trainers remain at large, coaching the national squad for another successful Olympics.

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## RUGBY LEAGUE

# Lindsay's new role sets off alarm bells

Maurice Lindsay was paraded yesterday like a club's new signing, the man they used to jeer but were now free to admit they thought was wonderful all along.

Lindsay's transfer from his role as chief executive of the Rugby League to his new one as managing director of Super League was ratified by the elite clubs at Headington.

That left Lindsay and the organisation's chairman, Chris Caisley, to explain that, contrary to appearances they had always been firm allies. Caisley, formerly one of Lindsay's most trenchant critics, said: "I don't want to talk about the past, but despite the fact that we've had our disagreements when it's come to critical issues we have been of one mind."

Lindsay himself, safely repositioned after being shunted out of his previous job, welcomed the opportunity to concentrate entirely on the flagship of the British game. "My energies will be devoted to Super League, but that does not mean that I'm not concerned about the success of the game as a whole," he said.

For all that, the sight of the unbold alliance of Lindsay and Caisley, the two heaviest hitters in the game, will ring alarm bells in the lower divisions, where they will inevitably fear under greater threat of being cut out of the deal with News Limited that ensures many of the clubs' survival.

Lindsay, however, denied that he would be using his new position to seek revenge against individuals or clubs who had manoeuvred him out of his old job. Nor did he think he would have any difficulties working alongside former colleagues at

headquarters, where he will be based for the immediate future.

"If you can't be mature, polite and professional over things like that, you shouldn't take up senior positions," he said. "I don't take back anything I've said about the need to drive Super League forward, but there is no need for obvious opposition to particular individuals."

Caisley, also chairman of the Bradford Bulls, said that the sponsorships he hopes Lindsay's presence will help to attract would benefit the whole game. He warned, however, that he would not be willing to see Super League held back by decisions made at the Rugby League Council, the governing body on which lower division clubs can still outvote the élite.

Super League will want a large say in the renegotiation of the contract with News Limited before the current one ends in 2000. The good news for the other clubs is that neither Lindsay nor Caisley would object to them cutting their own television deal, which could lead to financial independence.

Caisley revealed that the League was paying dearly for Lindsay's move. It will cost the organisation some £250,000 a year to finance him and his personal assistant as well as Colin Shanahan, the chief executive.

It was Myler who last week described Wigan's prospective signing, Wendell Sailor, as the Ronaldo of rugby league. He did not need to extend the comparison yesterday. Lindsay's presence two seats down was proof that he remains the Houdini of rugby league.

— Dave Hadfield

## ICE HOCKEY

### Eagles hit stormy weather

The unpredictability of the Superleague was illustrated again on Sunday as the top two clubs, Ayr and Nottingham, were beaten.

Ayr Scottish Eagles could have extended their lead at the top to a commanding six points if they had managed a seventh successive victory when they faced Manchester Storm. But the Storm, once leaders of the eight-team élite league before a recent bad run, found their form in front of a near 10,000 crowd, winning 5-3 to keep their own title hopes alive.

Manchester deserved their win as they outshot the visitors 48-36 and after a 1-1 first period, had the edge in the remaining two sessions. Brad

Manfield 67 Manchester 81; London Lightning 34; Thames Valley 83; Chester 66; Crystal Palace 62.

**SPORTING DIGEST**

## American football

NFL: AFC Championship game: Pittsburgh 21 Denver 24; NFC Championship game: San Francisco 10 Green Bay 23.

## Athletics

Balmoral Castle will host an international road-running festival on 11 April.

## Basketball

NBA: Atlanta 107; Washington 102; Detroit 103; Boston 100; Chicago 101; New Jersey 99; Miami 96; Vancouver 80; Charlotte 92; Los Angeles Lakers 93.

SUDOWERSEY LEAGUE: Sunday's late results: Bradford 87; Walsall 83; Coventry 84; Shrewsbury 87; Manchester 81; London Lightning 34; Thames Valley 83; Chester 66; Crystal Palace 62.

## Boxing

Mike Woodhead will fight Thulane Malinga, the reigning champion, for the World Boxing Council world super-middleweight title on 7 March at the Telford Ice Rink in Woodheads home town.

## Cricket

INDEPENDENCE CUP (Dhaka, Bangl): Darjeeling 534 (533 overs); Pakistan 330 (1,242 overs). Pakistan won by nine wickets.

ONE-DAY TOUR MATCH (Matheran): New Zealand 312 (5 P Haining 56; 494 overs);

Australia A 221 (481 overs). New Zealand win by 21 runs.

INTERCONTINENTAL 10 WORLD CUP (Unzenberg, Germany): Round 1: Group One: Scotland 202 (60 overs); Kenya 208 for 2, 365 overs (7 ODIs). Scotland won by eight wickets. Group Two: Namibia 105 (63 overs); Bangladesh 109 for 6 (621 overs). Bangladesh won by 10 wickets. Group Three: Sri Lanka 195 (146 overs); Pakistan 145 (65 overs); Pakistan 199 for 3 (Razzaq 80\*; 65 overs). Pakistan won by seven wickets.

CLIFFORD 2000: Cardiff 100 (100 overs);

Cardiff Devils – the champions in Superleague's inaugural season last year – improved their hopes of keeping the silverware by beating Nottingham Panthers 5-3 and moving up to third, one place above their opponents.

Cardiff took a 4-0 lead with goals from Steve Morris, Ivan Matulik, Vezio Sacrami and Steve Thornton but had to weather a comeback by the Panthers, who responded through Jeff Sebastian, Blake Knox and Jamie Leach. With just 19 seconds left Shannon Hope secured his 1,000th point for the Devils as he set up Matulik for the final goal.

And he'll go along similar

lines as before, trying to increase his numbers of overs and his pace. He'll be under supervision at Yorkshire and we'll see how he goes. There's a fine line between being totally fit and not quite fit. I have spoken to him twice a week and he's pretty pleased with how it's going."

Should Gough satisfy all the fitness requirements, he could be available for the second Test in Port of Spain. Trinidad, on 13 February.

The England physiotherapist Wayne Morton said:

"There's a very good chance of Darren joining the tour if his level of rehabilitation goes along the right lines. We are hoping he makes himself available for selection at the start of February.

"If we are satisfied that his progress is what we would wish, I am sure he has a very good chance of making the tour. He's doing quite a bit of work – in fact he'll probably start bowling this week."

And he'll go along similar

## SWIMMING



Element of surprise: Cerna Hanas, of the Czech Republic, finds her practice interrupted by a wayward duck at the World Championships in Perth yesterday. Photograph: Reuters



# Palmer off pace as Rolph revels in unexpected advance

Susan Rolph grabbed the spotlight that was expected to fall on Britain's leading man in Perth yesterday. While Paul Palmer, the European 200 metres freestyle title holder, suffered disappointment in his attempt to add a World Championships medal to his Olympic silverware, Rolph gave the women's team the perfect boost.

Only Sarah Hardcastle had reached a women's final in Atlanta, but the 19-year-old from Newcastle matched that in the first event of the opening day. Rolph finished sixth in the 100m freestyle final – falling 0.02sec short of her personal best – having moved up one place from the heats when she had the seventh-fastest time.

"I have proved to people I am a world-class swimmer," she said. "I've improved from 10th at the last Olympics to sixth in these worlds in just one and a half years."

Victory went to America's five-times Olympic gold medalist Jenny Thompson. China's world No1, Shan Ying, won bronze.

Fears that Chinese swimmers would be booed and barracked when collecting their medals never materialised as the Australian crowd reacted with polite applause when Shan was

Michael Klim. Palmer had reached the final with the sixth-fastest time, having headed for home in his heat lying eighth. The 23-year-old from Bath was last after the first 50m in the heat and stayed there until the last turn. He made up one place in the last 50m, but his time of 1:50.43 was well off

"I was awful – there is nothing much more I think I can say," Palmer said. "I was swimming faster than that in training last week."

"The only consolation is this might augur well for the 400m, because it just felt like I did four easy-paced swims out there."

— Ian Gordon

Perth

## CRICKET

### Gough targets Trinidad Test

Darren Gough will begin a fitness drive this week that could enable the Yorkshire all-rounder to join the England party in Trinidad early next month.

Gough is due to start bowling this week and if he reaches the "right level", the chairman of selectors, David Graveney, will reassess the situation.

Gough was forced to pull out of the West Indies tour with hamstring trouble on New Year's Eve – three days before the squad were due to leave and his county colleague, Chris Silverwood, was then rushed from Kenya to replace him after initially being selected for England's A squad.

The England physiotherapist Wayne Morton said:

"There's a very good chance of Darren joining the tour if his level of rehabilitation goes along the right lines. We are hoping he makes himself available for selection at the start of February.

"If we are satisfied that his progress is what we would wish, I am sure he has a very good chance of making the tour. He's doing quite a bit of work – in fact he'll probably start bowling this week."

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Should Gough satisfy all the

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England play Trinidad and Tobago before the Test and that could be used as a warm-up match for the fast bowler.

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Wasim, who recently resigned as Pakistan captain because of the accusations, said: "I have no objection to appearing before a high-level committee because I know I am being framed by certain quarters. I have played and represented Pakistan with distinction and my conscience is clear, but I want the issue to be dead once and for all and the only way to do it is to constitute a high-level commission."

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## FOOTBALL

### Venables sells his Portsmouth stake to Gregory

When Terry Venables bought a 51 per cent stake in Portsmouth for £1, the future looked bright for the south coast stragglers. Reality intruded yesterday, however, when the Australian national coach sold his stake to director Martin Gregory. Chris Maume reports.

Terry Venables, whose tenure as chairman of Portsmouth has brought little or no improvement in the club's fortunes, yesterday sold his shares and agreed to leave the First Division stragglers.

The Australian national coach has accepted a cash offer from director Martin Gregory which will see him sell his 51 per cent controlling interest in the club. The Gregory family will now take control of Pompey with a 96 per cent shareholding in the club, which is losing £150,000 per month.

Venables agreed to a six-figure pay-out after a meeting with one of Pompey's directors, Brian Henson. BBC radio reported yesterday that Gregory had agreed to pay Venables £300,000 for his stake in order to open negotiations with a United States consortium interested in the club.

Venables has controlled Pompey for 11 months but has failed to attract the investment he originally hoped for when he arrived at Fratton Park after guiding England to the Euro 96 semi-finals.

The former England coach was offered £100,000 for his 51 per cent stake in the club last week but wanted to hold out for £500,000 - £499,000 more than he paid for the shares last February.

"The time is right for Venables to go," Gregory, who was in Switzerland on business yesterday, said. "He should walk away. I realise I am not the most popular person in Portsmouth but things were never this bad. We thought we were pulling one of the world's top coaches but it has not worked."

Pompey are bottom of the First Division, two points adrift of their nearest rivals, Bury, and are preparing for tomorrow night's FA Cup third round replay at Aston Villa.

Venables, who has long dreamed of owning his own club, arrived at Portsmouth as Director of Football in August 1996 and became chairman in December of that year.

But, in November last year, Venables' position first came under threat when the club sank to the bottom of the First Division and were reportedly having

problems in paying players and staff - a matter only resolved after the Professional Footballers' Association stepped in. This came only three months after Venables' company, Vencorp, received a £300,000 bonus from the club as a "one-off performance bonus."

His future at Pompey was also questioned after Australia failed to qualify for the World Cup finals when they lost in a play-off to Iran.

Venables has enjoyed mixed fortunes in his business career. He was the chief executive of

Tottenham from 1991 until 1993 until his contract was terminated by fellow directors. He was reinstated on the strength of a temporary injunction, but defeated after a High Court hearing and ordered to pay costs.

He is due to appear before

a High Court hearing in London

tomorrow, where the Department of Trade and Industry is seeking to have him disqualified as a company director as a result of his involvement in other companies in the past. The case is complex and is expected to last for at least three weeks.

### Gascoigne flute row grows louder

The Old Firm war of words over Paul Gascoigne's flute-playing antics continued last night when Celtic hit back over criticism by the Rangers chairman, David Murray, of his opposite number, Fergus McCann.

Murray was furious with the Parkhead managing director after he sent a letter of complaint to the Scottish Football Association over the England midfielder's controversial gesture while warming up on the touchline during the Scottish Premier Division match at Parkhead on 2 January.

Gascoigne issued a public apology after Rangers' 2-0 win against Aberdeen at Ibrox on Saturday, expressing his regret at his actions and disclosing he has been fined £20,000, which will go to charity.

Murray reacted angrily when he discovered McCann had sent a letter to the SFA demanding action against the player. In a tersely worded statement yesterday, Celtic responded to Murray's own complaints as the row simmered on.

The Celtic statement read: "David Murray is aware of why Celtic sent a letter to the Scottish Football Association regarding wider issues than solely Paul Gascoigne's recent actions at Celtic Park. Although he has made public remarks through one newspaper, he has chosen not to comment on all the issues raised in the letter. Celtic has not made this a public matter and has no wish to do this stage. Celtic will now await the Scottish Football Association's response."

Earlier, Murray had questioned why McCann had felt the need to write a letter of complaint to the SFA. He said: "Just as it is not for me to tell Celtic how to conduct their affairs, it isn't for them to tell me how to conduct mine. I am disappointed that, rather than write to the SFA, Celtic couldn't call me if they felt strongly about what Paul Gascoigne did. We have sorted things out in the past and I think Fergus [McCann] has set a dangerous precedent."

- Bryn Palmer



Open and shut case: Belgium's Fred DeBurghgraeve powers his way towards the gold medal in the 100 metres breaststroke at the World Swimming Championships in Perth, Australia, yesterday. The shaved-headed Olympic champion, who missed all of last year's major championships in order to concentrate on the Perth event, won in 1min 01.76sec

Report, page 27; Photograph: Greg Wood/AP

## RUGBY UNION

### Bath front row cited over Fenn's bitten ear

**London Scottish**  
yesterday cited the entire Bath front row - Kevin Yates, Federico Mendez and Victor Ubogu - for foul play in an effort to force the West Country club into identifying the player who bit the left ear of Simon Fenn during Saturday's Tetley's Bitter Cup tie. Chris Hewett assesses the latest moves in a gruesome affair.

Frustrated by their opponents failure to act quickly and decisively over an act of gross foul play, the Londoners cited the entire Bath front row to the Rugby Football Union. The move put the England international props, Kevin Yates and Victor Ubogu, and Federico Mendez, the Argentinian World Cup hooker, in the dock - no laughing matter for the two innocent parties.

"London Scottish have exercised their right, within the seven-day time limit, to deliver a citing against the Bath front row," Terry Burwell, the RFU's director of Twickenham ser-

vices, said yesterday. "Bath must respond by Friday and the citing hearing will take place as soon as possible." However, that was not the extent of Burwell's comments. He added, astonishingly, that "the onus was on London Scottish to prove to the RFU disciplinary panel which player was responsible."

By saying that Burwell raised the possibility of the culprit getting off scot-free or Scottish-free, video evidence has so far failed to produce a water-tight identification and with the expanding population of sports solicitors scenting a possible financial killing, the complainants were reluctant last night to push the boat out any further.

"I'm disgusted by the incident and, as a business, we will want compensation," said Richard Verbury, the London Scottish chief executive who, ironically enough, lives just outside Bath and within a mile of Swift, his opposite number.

"We are a business and I expect Simon to be out for between four and six weeks at best."

"We have a good idea who did it but for legal reasons, we won't say. We have sent player statements and the videos to the

RFU and now it is up to them to decide whatever the punishment will be. We hope that Bath will come to a decision quickly so we can put the whole thing behind us."

Fenn, who was making his senior debut for the Exiles after being lured from top-grade rugby in Sydney, may yet need plastic surgery and was due to consult a specialist today. "There is a huge risk of infection and that could make the healing time a lot longer," he said last night.

"I have never experienced anything like that on a rugby field and initially, it was a shock. You can't protect yourself from anything when you are at the bottom of a pack. Yes, I'm surprised he hasn't come forward. For the sake of his club, his sponsors and his team-mates you would have thought he'd have done so."

Swift insisted that Bath were not evading responsibilities by prolonging their internal investigation. "We feel it would be dreadfully irresponsible of us to enter into any speculation as to the nature of the incident before we have been able to examine all the available evidence."

He added that club officials were in close contact with the authorities, that video evidence was being reviewed and that players were still being questioned. However, the delay in taking tangible steps against the perpetrator continued to make a mockery of Bath's current advertising and marketing catchphrase: "A higher class of rugby."



Simon Fenn's ear after Saturday's Cup tie against Bath and (right) the London Scottish flanker faces the media at Richmond yesterday

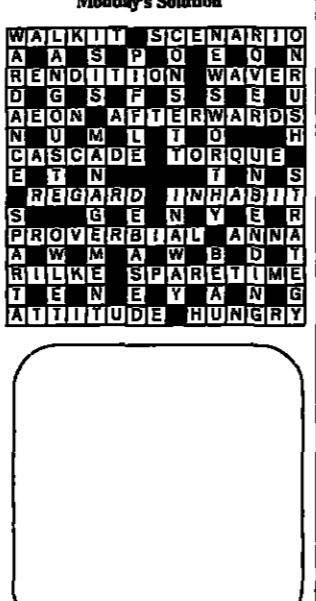
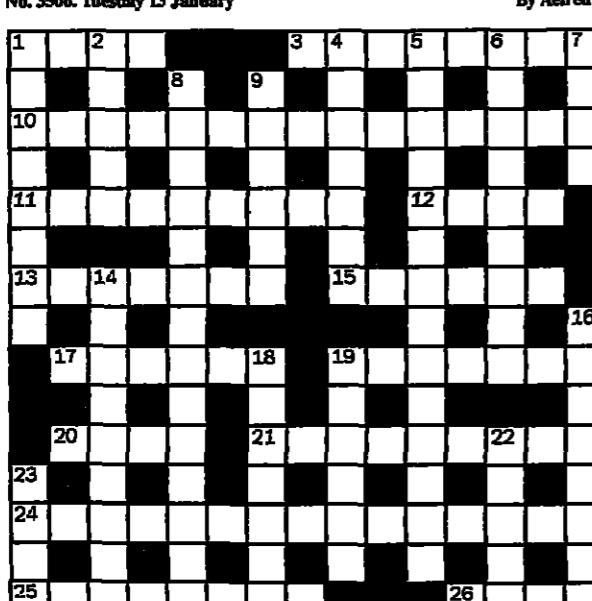
Photograph (right): Peter Jay

## THE INDEPENDENT CROSSWORD

No. 3506. Tuesday 13 January

By Astrid

Monday's Solution



- ACROSS**
- 1 Indicate correct time (4)
  - 3 A number joining right group in county (8)
  - 10 Certainly not getting on site though given a starting point (7,3,3)
  - 11 Forces in which civil engineer obscures time of mishap (9)
  - 12 Certainly not marine standard (4)
  - 13 Cunning method of entrapment? (7)
  - 15 What gofer uses thrice has to show instability (6)
  - 17 University in river races will have no medal in this position (6)
  - 19 Old worker restricts new French company (7)
  - 20 Bubbles on the water in south of France on top of sea (4)
  - 21 Bring in amazing reduction (9)
  - 24 All the same lacking status? (15)
  - 25 Wild grove on terrace might well do this (8)
  - 26 It's not to be taken literally in writer's short article (4)
  - 27 DOWN
  - 1 A terrible jam in forced half is a feature of India (3,5)
  - 2 Funny old note in volume (5)
  - 4 Unusual description of constable on day of rest? (7)
  - 5 Old writer's English narrative which gives credit to employee (7,7)
  - 6 Soundly observe a sort of block in onshore wind (3,6)
  - 7 An outburst of poignant weeping is sickly sentimental (4)
  - 8 Show public display of clothing? (6-8)
  - 9 Bureau sends a bit of information to Cyprus (6)
  - 14 Savoury cake and game to note (9)
  - 16 Force on street section changed from left to right (8)
  - 18 Sign of resignation seeing reduced elevation on house (5-2)
  - 19 Clever form of statue (6)
  - 22 Bring together in university on empty Friday (5)
  - 23 Loose fellow leaves amusing party (4)

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ON  
ITV TUESDAYS PAGE 250

Holiday Inn  
CROWNE PLAZA\*

Holiday Inn  
GARDEN COURT

Holiday Inn  
EXPRESS

ALL YEAR ROUND  
SHORT BREAK OFFERS  
AT HOTELS ACROSS  
THE UK